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The NATIONAL UNDERWRITER

Forty-third Year—No. 8

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 23, 1939

\$4.00 Per Year, 20 Cents a Copy

Commission Cap of 30% Is Placed on Finance Line

National Automobile Underwriters Association Takes Bold Reform Step

The National Automobile Underwriters Association, at a meeting of the full membership last Thursday voted to put a top limit of 30 percent on commissions on major automobile finance accounts and 25 percent on the smaller accounts. Time and again in the past efforts have been made to agree upon a commission scale in that range, and all sorts of studies and meetings have been held in an attempt to arrive at a workable solution to the finance problem. All of those efforts in the past have been unsuccessful.

At this time, however, the companies apparently came to the conclusion that definite action at last must be taken. The insurance commissioners in various states have raised the issue of the high commissions paid and correlated situations in the auto finance line. Insurance Director Palmer of Illinois conducted a searching inquiry through questionnaires, and then held meetings and laid down an ultimatum. Commissioner Waters of Texas enforced the anti rebate law in his state so that finance companies were not permitted to share in the commission. The Missouri department attacked the problem vigorously and a number of other commissioners have made inquiries and issued orders.

Hearing Projected for This Spring

The automobile finance business has been under consideration by the National Association of Insurance Commissioners for the past two or three years. At the Des Moines convention last fall the decision was made to hold a hearing this spring at which all parties interested in the business would be given an opportunity to assert their opinions and tell their stories. Commissioner Blackall of Connecticut was placed in charge of the committee responsible for holding the hearing. Mr. Blackall called into conference Walter F. Beyer, vice-president of Home of New York, who is president of the National Automobile Underwriters Association, and Ross Moore, manager of that association. Mr. Blackall came to the conclusion that the projected hearing was likely to be unproductive of results because of the inability of the commissioners to tackle the problem in its entirety. That is, the insurance departments do not have direct control over the operations of finance companies. Commissioners might be able to adopt regulations governing insurance companies, agents and brokers but the finance company itself has to be reckoned with.

(CONTINUED ON PAGE 34)

Solid Food Given at East St. Louis "Institute"

So successful was the "Institute" conducted at East St. Louis under the auspices of Region 6 of the Illinois Association of Insurance Agents that A. F. Felker, former president of the Insurance Board of St. Louis, who addressed the gathering, announced his intention to have similar events conducted in Missouri.

In his talk Mr. Felker also urged agents to emphasize their personal value to the insurance buyer, rather than talking rates, company size, etc. The business man who attempts to handle his insurance by correspondence will over a period of years suffer a considerable loss, he contended. Mr. Felker mentioned the effectiveness of the Insurance Board's radio series every Monday evening in the interest of stock insurance.

The "Institute" proved more successful than even Chairman Dudley F. Giberson of Alton and others who supported the movement had anticipated. Registration exceeded 150 and everyone stayed for the entire morning and afternoon sessions, took in one of the luncheon sessions, and the banquet.

Jennings and Stewart Talk

The day got underway with an address of welcome by Mayor Crow of East St. Louis, with the response by W. H. Jennings, Jr., of Rockford, president Illinois Association of Insurance Agents. W. H. Stewart of Chicago chairman Illinois association, gave a talk, in which he announced the association is endeavoring to strengthen the agents' qualification act.

Then came one of the highlights of the day—a symposium on "Essentials of An Insurance Survey" with C. F. Daniels, state agent Norwich Union, Chicago, handling casualty lines; E. A. Luther, manager in St. Louis for National Surety, the surety, and John T. Nansen, St. Louis, the fire and engineering.

In discussing fidelity surveys, Mr. Luther reviewed fidelity bonds, forgery bonds, bankers, brokers and building and loan blanket bonds and contract bonds. Probably not 50 percent of the employers needing fidelity bonds have this coverage, he maintained. Few of them know of the existence of the blanket position or the commercial blanket bond and few understand the difference. He pointed out that under the blanket position bond each employee is covered for a specified amount, so that the total liability of the surety is computed by multiplying the amount of coverage by the number of employees, whereas under the commercial blanket bond the amount of the bond is the total liability of the company for all defaults, with no division of insurance into amounts applying to each employee. New employees are automatically covered, which is extremely important, as witnessed by a loss of \$17,500 caused by a temporary cashier who absconded within less than a week after he went to work and has not been found yet.

Forgery is probably the fastest growing crime in America, but the sale of forgery insurance has been handicapped

by the fact that people generally believe that a bank is liable for all forgery losses. These people do not realize that thousands of cases have been litigated on this particular point and that there have been many decisions against depositors.

In spite of all the publicity given bankers blanket bonds, banks are grossly under-insured, as indicated by a recent survey of the Towner Rating Bureau and the American Bankers Association.

In discussing contract bonds, Mr. Luther pointed out that an agent soliciting this line has available a multitude of coverages which should be brought to the attention of the contractor. In a survey for a contractor, mention should be made of marine forms covering equipment, forgery, fidelity bonds and burglary and robbery coverage. Even if the agent cannot control the bonds of a particular contractor, he should be able to make a survey of his insurance needs and secure some desirable business.

Complete List of Personnel

In connection with making a fidelity survey, Mr. Luther urged the agents to obtain a complete list of the employer's personnel and not to depend upon titles to determine the actual duties of an employee. In many cases an employee may actually be doing work which would entitle the employer to a lower premium than the title would indicate. The agent should also determine whether employees have absolute custody of negotiable securities, countersignature requirements, whether canceled checks and bank statements are checked by the same person, outside audits, together with their scope, and inventories. If assured now carries fidelity bonds, the coverage should be checked for insuring clause, time in which a loss must be paid, notice to surety, discovery period, time for filing suit, notice of cancellation and salvage clause. Many insurance men do not understand that there are no standardized fidelity forms with the exception of blanket bonds, and that constant changes are being made by all companies in their fidelity forms.

Mr. Nansen said the fire and engineering analysis is generally divided into the summary of the present insurance, presentation of proposed coverages and suggestions; identification of coverages, both present and proposed, and a care-

(CONTINUED ON LAST PAGE)

January Fire Loss Just a Shave Under Same Month, '38

The National Board estimates the January fire loss at \$27,615,316, which was a decline of .2 percent from the total of \$27,676,337 of January, 1938. This was the first month since last July to show a decrease as compared with the corresponding month of the previous year. In only two Januarys have the fire losses been smaller. In 1937 the figure was \$25,169,895 and in 1935 it was \$23,430,504.

Ohio Secession Is Analyzed Fully by Secretary Bennett

Position of the National Association of Insurance Agents Set Forth

W. H. Bennett, secretary National Association of Insurance Agents, took official cognizance of the letter of resignation of the Ohio association as signed by President L. C. Jones of Youngstown on the former's return to his office where he had been at Richmond, Va., assisting in preparing for the defense of the Virginia resident agent's law.

Taking up financed automobile insurance in which President Jones states that the Ohio body feels that it has "the independent right to act in behalf of and for the protection of its own members," saying that it has been endeavoring to restore financed automobile business to agents, Mr. Bennett says that while strictly speaking it is impossible to restore to local agents a class of business they have not formerly enjoyed, it has been a subject of concern before the National association for years and still is. The National body has acted as a restraining influence. When the General Exchange was organized in 1925 it was the subject of conference between officials of that company and the National association. Inasmuch as the agents could not restrain the formation of the company the National officers felt it the part of wisdom to use their influence toward having it kept within moderate bounds. They secured an agreement that the General Exchange would not solicit renewal business and would not branch out into the automobile liability field.

Famous Palmetto Case

In 1926, the U. S. Supreme Court handed down a decision prohibiting the consummation of the Chrysler-Palmetto Commercial Credit arrangement for insuring all financed cars and upholding the constitutionality of the state resident agency laws and it was a momentous one, Mr. Bennett claims, for every agent. Mr. Bennett participated actively beginning with the lower court through to the supreme court.

In 1935, Mr. Bennett recalls, the National body secured a statement of policy from the heads of three major finance companies, Commercial Credit, Commercial Investment Trust and Universal Credit. They agreed not to issue insurance on automobiles sold for cash and not to include in their finance plans any public liability or property damage.

Mr. Bennett conceded that it would be a result to be devoutly desired if all automobile finance business could be written through regular insurance agen-

(CONTINUED ON PAGE 12)

Chicago Cost Control Plan Is Now Abandoned

Chicago Insurance Agents Association Takes Lead in Proposing Alternative

The plan for a new acquisition cost setup in Chicago and Cook county that was devised by a special committee of the Chicago Board in collaboration with Insurance Director Palmer of Illinois has now been abandoned. No official announcement to that effect has been made, but as if by common consent, the plan was discarded.

What the next move will be to carry out Mr. Palmer's demands that expenses be reduced in Chicago remains to be seen. The Chicago Insurance Agents Association—an organization that embraces most of the class 1 or metropolitan supervising agents—has been holding a series of meetings, and, it is understood, that the leaders in that organization have just about decided upon a new plan, to be submitted, as a new point of discussion, at least. That association has pretty largely assumed the responsibility of leadership.

J. K. Walker Returns

J. K. Walker of Moore, Case, Lyman & Hubbard, chairman of the agents' association, returned to Chicago this week from a Florida trip and he presided at a meeting of the association Tuesday noon. In his absence Hamilton Loeb of Eliel & Loeb, vice-chairman, has been directing the deliberations. There will be another meeting Friday.

The atmosphere in recent days has been cleared somewhat of the bitterness that prevailed while the Illinois Association of Insurance Brokers was fighting the plan by seeking to discredit class 1 agents in the public eye through statements given to the daily newspapers. Every one now has had an opportunity to speak his mind and vent his spleen, if he was so inclined, and by now better humor seems to prevail.

Most of the class 1 agents were indignant when they received the communication from the brokers' association demanding that each class 1 member declare how he intended to vote on the plan. That letter stated that in the absence of a reply, the brokers' association would assume that the class 1 agent favored the plan, would vote for it and indicated that the brokers would be advised to govern themselves accordingly.

Letter Sent to C. A. Berger

The directors of the Chicago Insurance Agents Association thereupon advised the members to defer replying to the brokers' letter. In a day or two the agents association composed a letter that was sent to C. A. Berger, president of the brokers association. It was diplomatically worded. The brokers association was given to understand that the agents were exercising much restraint in couching the letter in moderate language. The brokers were told that this is a time for cool thinking and a broad minded attitude. The agents' letter expressed the belief that despite the way the issues have been clouded, there is still an opportunity for the various elements in the producing forces to work out an equitable plan.

Copies of this letter were sent to all members of the agents association with the suggestion that the members if they so desired could let that letter stand as an individual response to the ultimatum contained in the brokers' letter. Some

Aetna Fire Names New Assistant Secretary

Clinton L. Allen, who has been elected an assistant secretary of Aetna Fire, has been with the organization 18 years in the home office and field. Previously for seven years he was connected with Orient in the Hartford head office. With Aetna Fire he served in the Michigan field, then in Connecticut and western Massachusetts and about a year ago was appointed general agent assisting in the home office territory. He is a past president of Michigan Fire Underwriters Association and of the Connecticut Field Club.



Clinton L. Allen

of the members supplemented this general letter with communication of their own to the brokers. So far there has been no official reply from the brokers association.

No date has been set by the Chicago Board for the special meeting, that was contemplated, to vote on the acquisition cost plan and Insurance Director Palmer has made no public statement of his attitude in view of what has occurred.

The Chicago Insurance Agents Association is keeping its plan under cover until what it regards as the right moment. There is a good deal of sentiment in favor of retaining the present commission and brokerage rules but under a program of rigid enforcement with the insurance department having a hand in the policing. Several agency leaders have been preparing exhibits to indicate that if the present Chicago rules were religiously observed, the cost of doing business in the city would be no greater than the national average and would indeed be somewhat below that average.

The Illinois Insurance Brokers Association feels as do the other classes that the recommendations of the committee of 10 that have aroused so much controversy are practically a dead letter and that a new plan will be developed for further discussion. W. J. Robbins, who addressed the letter to all companies and class 1 members, asking their attitude toward the plan has received a number of replies, mostly of a conciliatory nature. He has been assured by many who answered that they are not in favor of the suggested plan.

Home Makes Shifts in Ohio, Indiana

Fisher Assistant Chicago Head—Bulau to Indiana—Krieger to Head Office

Louis J. Fisher, Indiana state agent Home of New York, has been appointed assistant manager in Chicago, aiding General Manager E. R. Hurd, President H. V. Smith announces.

A. E. Bulau, formerly associate state agent in Ohio, succeeds Mr. Fisher in Indiana. In turn Mr. Bulau will be succeeded by Robert W. Nelson, now manager of the Cleveland branch of Home.

F. A. Dickerson, at present Cleveland manager of National Liberty, is to have jurisdiction for all of the Home companies in Cuyahoga County, under the general supervision of State Agent H. H. Chittenden of Columbus.

Walter M. Krieger, now an Ohio special agent, is being taken into the head office to assist Secretaries Leonard Peterson and D. H. Moore, executives in charge of the western business.

Mr. Fisher joined the Home as a clerk at its head office in 1928. Some time thereafter he was appointed a special agent in Indiana under State Agent C. D. Lasher, whom he succeeded in that post in 1932 when Mr. Lasher was transferred to Chicago.

Bulau From Southern Fire

Mr. Bulau joined Southern Fire in 1930 as Ohio and Kentucky state agent. When Southern Fire passed under control of the Home in 1934, Mr. Bulau continued in the Ohio territory.

Before becoming Cleveland manager, Mr. Nelson was in the Ohio field for the Home a number of years. Mr. Dickerson started with the Illinois Inspection Bureau. He became Ohio special agent for National Liberty in 1928, and its Cleveland manager five years ago.

Mr. Krieger is grounded in insurance engineering, but he has a general knowledge of the business as well. In earlier years he organized the engineering service for the North America in the middle west. He later became assistant United States manager of Svea. The direct business of that company was reinsured in the Home in 1932. Mr. Krieger joined the Home as Ohio special agent in 1937.

H. Y. Chatterley, Baltimore, died after a brief illness. He was special agent for Hanover Fire.

Goodcell Champions Convention System of Examinations

California Commissioner Issues Statement Hitting Attitude of Pink

Commissioner Goodcell of California has issued a statement this week on the company examination issue, in which, without naming him, he challenges the position taken by Superintendent Pink of New York. Mr. Pink has refused to be bound by the full convention examination system.

Mr. Goodcell states that the performance of his duty requires him to examine all insurers admitted to California or to participate in all such examinations. A convention examination, he states, minimizes local influence and secures a fair, impartial report as to the affairs of the company.

Recently, he said, the propriety of a convention examination was raised in connection with a company receiving more than \$1,500,000 premiums from California. Although the company raised no objection to a convention examination, the insurance authorities of its home state did object. Mr. Goodcell stated that he announced that he would examine that company alone if the right to a convention examination was denied. "I am pleased to say," he declared, "that the convention examination is now in progress."

California is the second or third state in volume of premium income, he declared, and 85 percent of the premiums are collected by external insurers.

The convention examination is a co-operative means whereby the authorities of the state may reasonably determine the standing of insurers doing an interstate business and thereby be placed in position to protect the interests of the public, according to Mr. Goodcell.

\$4,000 A WEEK

NEW YORK — Twenty-one representatives from departments of various states are in town examining different fire, life and casualty companies; work upon which, it is estimated they will be engaged for six months or more. Each examiner is entitled to charge \$25 per day for services, plus \$8 per day for living expenses, plus transportation expense.

The aggregate cost to the companies being audited is about \$4,000 a week.

The New York department is required to examine each of its home companies once every three years. Superintendent Pink a short time ago invited several other departments to join in the examination of certain large institutions, but was not prepared for the large number of outside examiners that arrived upon the scene. These outsiders were barred from participating and they proceeded to conduct independent examinations.

At the special meeting of commissioners in Chicago the other day, it was decided that these dual examinations now being conducted should be completed, but that the mandatory zone plan of examinations should be abolished. It was the operation of the mandatory plan that caused the current trouble in New York.

Gordon Gambill, Chattanooga agent, announced his candidacy for a post on the city commission at the election March 14.

THIS WEEK IN INSURANCE

National Automobile Underwriters Association votes to impose a 30 percent cap on automobile finance account commissions. Page 3

National Association of Insurance Agents has issued a statement regarding the withdrawal of the Ohio Association of Insurance Agents. Page 4

Commissioner Goodcell of California issues statement supporting convention examination system. Page 4

Home of New York appoints L. J. Fisher assistant Chicago manager; A. E. Bulau, Indiana state agent, brings into the head office W. M. Krieger of Ohio, and makes other changes in the Indiana and Ohio field. Page 4

Plan for acquisition cost reform in Chicago and Cook county that was drafted by a special Chicago Board committee has now been abandoned. Page 4

Wilfred Kurth, C. D. Hilles and Hendon Chubb, all of New York City, were called before the SEC hearing on life insurance at Washington. Page 23

Attorney John C. Stirrat, Oakland, Cal., has been appointed manager of the California State Insurance Fund. Page 30

Negotiations are in progress looking to the modification of the acquisition cost questionnaires of the Illinois insurance department. Page 5

John A. Lloyd, new insurance superintendent of Ohio, given notable recognition at a complimentary dinner. Page 5

Alfred M. Best of New York City comments on the SEC life insurance investigation. Page 23

Manager John D. Saint of the Tennessee Association of Insurance Agents, in a forceful address, states that the in-and-out rule will be impartially enforced. Page 10

The National Bureau of Casualty & Surety Underwriters has announced revision of rates for owners and contractors protective liability for construction operation. Page 24

Governor of Oklahoma removes two members of the Oklahoma state insurance board, Commissioner J. G. Read being the sole member surviving. Page 10

Seek to Modify Illinois Cost Questionnaires

Paul Haid Conducts Meeting in Chicago—Another Session Thursday

An effort is being made on the part of the fire companies to reach an agreement with Insurance Director Palmer to supply, in essential form, the information as to acquisition cost on Illinois business that the insurance department desires, without going to the labor and expense that would be required to complete the minutely detailed questionnaire that the Illinois department sent to the companies some time ago.

Mr. Palmer went on to New York last week after serving as toastmaster at the banquet during Pittsburgh Insurance Day. On Friday he had a conference with Paul Haid, president Insurance Executives Association, and other company representatives. At that time, it is said, Mr. Palmer agreed that he would waive the requirement that companies supply the acquisition cost information in respect of 1937 business. He also indicated that he would agree to an extension of the date for filing the information probably to May 1 from April 1, and that he might agree to a proposal for modifying the questionnaire in respect of 1938 business.

On Tuesday of this week Mr. Haid conducted a meeting in Chicago that was attended by western department executives and statisticians and accountants. The problem was discussed for about two hours. It was decided to hold another meeting Thursday afternoon of this week in Chicago and it was indicated that two representatives of the Illinois department would attend.

The discussion revealed that the only honest way in which Mr. Palmer's questionnaires could be completed would be by reference to each daily report, a procedure that would cost thousands of dollars for each company. The majority sentiment seems to be in favor of furnishing Mr. Palmer with the information that he desires in percentage form, rather than in dollars and cents or various classifications of business and territories, divided and subdivided.

Much confusion exists because the status of the questionnaires is now uncertain. The department officially denies that any change whatsoever has been made in the requirements. The casualty people have learned of the moves made by the fire insurance folk and they are seeking to ascertain whether the status of the casualty questionnaire has been changed.

Georgia Supreme Court in Important Decision

ATLANTA, GA. — The Georgia supreme court has declined the petition of the Cooper Manufacturing Co. of Gainesville, Ga., to declare unconstitutional the Georgia statute prohibiting the acceptance in Georgia of insurance policies from non-admitted companies.

Decide on Topeka for Kansas Meet

The next annual meeting of the Kansas Association of Insurance Agents will be held in Topeka, the executive committee has just decided. The dates have not yet been set. The program committee consists of C. G. Blakely, Jr., chairman; Glenn Hussey, Topeka, and Frank Priest, Wichita.

Four Zone Plan Is Suggested by Moor for Examinations

WASHINGTON.—Superintendent J. Balch Moor of the District of Columbia insurance department has completed his suggested division of the country into four zones for insurance examination purposes instead of six. He made this suggestion at the Des Moines convention but has only now finished dividing up the map into what he considers to be an equitable four-zone system.

While the zone system was repealed by the National Association of Insurance Commissioners last week, Mr. Moor is hopeful that his plan will be the basis of a compromise which will retain the advantages of a zone system and still meet the objections which Superintendent Pink of New York has to the zone plan as it existed up to last week.

New York Situation

The crux of the dissension was that the New York law requires New York companies to be examined by New York civil service examiners. Mr. Pink has felt that this bars him from letting examiners from other states participate to the extent of materially taking over any of the responsibilities which the law places on the New York department and its civil service examiners.

Mr. Pink has, however, stretched a point to the degree of inviting examiners from two other states to participate in examinations, but has felt that to have an examiner from each of the other five zones, as would be frequently the case under the six-zone system, would be definitely in conflict with the New York law.

Under Mr. Moor's four-zone plan there could never be at the most more than three outside state examiners working with the New York men in any examination. Thus, if Mr. Pink could see his way clear to permitting three outside states to participate—one more than he has already consented to—the zone system could be restored.

Mr. Moor's zones are: Eastern: Maine, Vermont, New Hampshire, Massachusetts, New York, Connecticut, Rhode Island, Pennsylvania, Delaware, New Jersey; southern: Maryland, Louisiana, Arkansas, Florida, Alabama, Georgia, South Carolina, North Carolina, Virginia, District of Columbia, West Virginia, Kentucky, Tennessee, Maryland; north central: Wisconsin, Missouri, Illinois, Indiana, Ohio, Michigan; western: Minnesota, Iowa, Nebraska, Kansas, Oklahoma, Texas, and all states to the west of these. These four zones would have approximately

To Head Office



W. M. KRIEGER

W. M. Krieger, who has been an Ohio special agent for Home of New York, is being transferred to the head office where he will assist in the administration of western department business. At one time he was head of the engineering department of the North America in the west and then was assistant U. S. manager of Svea and Hudson.

Ohio Liquidation Bureau Is Set Up by Lloyd

Superintendent J. A. Lloyd of Ohio has set up a bureau of liquidation with office in the Rowlands building, Columbus, O. Books and other property of nearly a dozen Ohio companies now in process of liquidation have been transferred to Columbus. E. O. Downs is in charge. Appointment of a chief may be made later. Dale Dunifon, who was associated with Gov. Bricker when he was attorney general, has been placed in charge of legal matters of the liquidation bureau.

The common pleas court at Columbus authorized payment of \$1,000 of funds of the Tower Mutual of Cincinnati and an equal amount from funds of the United Home Order of Cleveland into the liquidation fund. The department also has been authorized to pay salaries and expenses of other companies now in the hands of the department.

equal populations, according to the 1930 census.

Notable Tribute Is Paid the New Ohio State Official

All Hands Unite to Do Honor to John A. Lloyd at Testimonial in Columbus

COLUMBUS, O.—Four hundred men representing every branch of insurance attended the testimonial dinner given in honor of John A. Lloyd recently appointed Ohio superintendent of insurance, who retired as executive secretary of the Ohio Association of Insurance Agents. A number of women were present. The Capital University Chorus appeared as a special tribute to Mr. Lloyd. The dinner was sponsored by the Ohio Association of Insurance Agents. L. C. Jones of Youngstown, president, presided. Miss Robley Willis who has taken over the secretarial duties and C. B. Plummer, the new field secretary, were introduced. Hilburn Lloyd, a brother of Superintendent Lloyd, associated with the organization, was also present.

Gingher Was Toastmaster

Paul R. Gingher, general counsel for the association, who served with Mr. Lloyd in the Ohio senate, acted as toastmaster.

Hugh L. Meek of Columbus, former Ohio president serving when the association was reorganized, was a speaker. H. S. Martin of Toledo, a recent former president, told about Mr. Lloyd's constructive work in building up the membership, now having 1,100 members. Austin McElroy of Columbus, another past president and national councillor of Ohio, spoke briefly stating that Mr. Lloyd had pointed out to him that while he may be national councillor he is holding an office without portfolio, this amusing reference being made to the Ohio association's withdrawal from the National Association of Insurance Agents. F. P. O'Connor of Lima, another past president, spoke and closed by presenting Mr. Lloyd with a handsome gold wrist watch, a gift of the past presidents.

Mr. Lloyd was introduced, spoke with feeling and was received with great enthusiasm. Before the meeting closed, Governor Bricker ap-

(CONTINUED ON PAGE 34)

FIGURES FROM DEC. 31, 1938 STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
Allemania Fire, Pa.	5,441,826	+260,816	1,492,496	-27,510	1,200,000	2,385,004	+355,498	1,315,634	535,435	40.7
Amer. Druggists' Fire, O.	2,246,898	+8,134	219,069	+405	750,000	1,181,064	-697	391,941	127,711	32.6
American Eagle Fire.....	19,592,516	+6,305,878	2,999,157	-79,125	1,000,000	13,130,478	+5,018,860	2,848,269	1,115,789	39.1
American Home Fire.....	3,417,691	+166,178	881,417	+40,622	1,000,000	1,272,601	+208,119	1,003,179	487,784	48.6
Central Surety Fire, Mo....	602,154	+31,474	74,348	+42,270	250,000	256,830	+4,338	139,674	42,473	30.4
Continental, N. Y.	96,441,078	+10,493,331	19,726,149	-795,556	5,000,000	62,314,404	+10,554,807	19,355,772	8,698,038	44.9
East & West.....	3,342,874	+71,414	580,643	+29,045	1,000,000	1,464,946	+33,457	267,644	265,532	46.7
Fidelity-Phenix.....	75,997,542	+8,898,172	15,466,927	-98,930	3,750,000	48,647,375	+8,295,620	15,619,792	7,011,080	44.8
Firemen's, D. C.	991,770	+68,661	259,259	+5,039	300,000	373,575	+39,153	175,424	35,401	20.1
First American Fire.....	4,765,012	+239,176	861,481	-55,296	1,000,000	2,472,593	+344,590	874,847	404,468	46.2
Globe & Rutgers Fire....	14,083,368	+257,260	1,628,929	+186,590	2,117,000	6,885,635	+300,710	2,032,538	1,022,104	50.2
Fire Association.....	21,961,721	+996,994	8,654,847	-662,980	2,000,000	9,488,317	+2,066,116	7,409,441	3,924,725	52.9
Lumbermen's, Pa.	4,969,547	+184,850	1,379,956	-96,807	1,000,000	2,308,084	+374,250	1,204,450	622,384	51.7
Maryland.....	3,207,761	+147,113	359,418	-13,551	1,000,000	1,705,255	+209,710	365,435	174,543	47.7
New Hampshire Fire.....	16,975,134	+168,689	4,548,722	+134,627	3,000,000	8,322,928	-107,537	4,361,251	1,843,408	42.2
New York Underwriters.....	8,478,216	+347,923	1,022,808	-11,524	2,000,000	4,996,896	+364,584	1,086,498	452,314	41.6
Niagara Fire, N. Y.	24,138,915	+2,040,381	5,114,130	-235,790	2,000,000	15,631,730	+2,262,944	4,596,059	1,870,925	40.7
North China.....	695,015	-233,584	.....	.....	200,000	438,418	-18,297	70,891	43,188	60.9
Northwestern F. & M.	2,971,163	+137,951	587,679	+11,973	1,000,000	1,011,481	+93,813	669,572	295,136	44.0
Northwestern Nat., Wis.	15,384,284	+287,819	5,355,079	+37,093	2,000,000	5,462,067	+251,913	4,289,031	1,465,605	34.1
National Union, D. C.	539,033	+3,687	96,714	-3,079	.....	231,858	-93,863	57,588	9,467	16.4
Ohio Farmers.....	4,985,782	+175,845	2,449,283	-55,782	.....	2,213,039	+198,187	2,302,817	317,708	39.8
Philadelphia National ..	2,888,598	+118,014	516,344	-38,651	1,000,000	1,231,495	+176,768	493,692	254,764	51.6
Reliance, Pa.	3,993,486	+250,315	884,075	-62,646	1,000,000	1,871,671	+320,565	777,431	394,045	50.7
Rocky Mt. Fire, Mont....	690,163	-2,530	94,283	-5,578	275,000	305,174	+9,401	82,964	43,116	51.9
Security, Ia.	2,676,757	+65,993	933,799	+30,639	500,000	512,125	+9,880	684,578	202,646	29.6
Security, Conn.	11,949,047	+832,705	4,012,608	-191,085	2,000,000	3,839,180	+594,913	4,058,472	2,174,162	53.5
Thames & Mersey Marine ..	1,192,190	-45,186	98,463	-12,605	200,000	651,420	+49,182	402,517	218,037	54.1
Twin City Fire, Minn....	1,768,828	+110,171	284,818	+1,707	500,000	927,863	+100,079	276,575	110,510	40.0

¹At market values the assets (and correspondingly the surplus) at January 1, 1939, would be \$913,298.73 greater. Stocks and Bonds valued at lowest of cost, market or current redemption prices.

²\$100,000 transfer from undivided profits to capital paid up.

Automobile of Hartford Changes

Nordeng, Sibley, Smith and Maccabe Are Advanced in Rank

Several promotions have been made in the official staff of Automobile of the Aetna Life group. Olaf Nordeng, heretofore secretary, now becomes vice-president. D. R. Sibley, heretofore secretary, becomes assistant vice-presi-



Olaf Nordeng



D. R. Sibley

dent. Harry N. Smith and Fred Maccabe, formerly assistant secretaries, become secretaries, Mr. Maccabe in the marine department.

C. A. Spoerl and Morgan Brainard, Jr., who have been assistant treasurers of Aetna Life, have been elected to similar positions in Aetna Casualty and Automobile.

Albert Stinson, vice-president, who has been on an extended vacation, is now permanently retired. Charles E. Sprague, assistant secretary of the various companies in the group, who has served for 34 years, also retires.

Mr. Nordeng, formerly with the America Fore group, went with Auto-

mobile in 1926 as secretary. Mr. Sibley went with Aetna in 1920 in the inland marine department, becoming manager of that department in 1922. He was elected secretary in 1930.

Harry Smith joined Automobile in 1906, and since 1927 has been assistant secretary.

Mr. Maccabe, a native of Liverpool, England, went with Automobile as marine loss manager in New York in 1919, was transferred to the home office in 1924 and in 1926 was made assistant secretary of the marine department.

Denial Entered That Street Made Political Payment

ST. LOUIS — A denial that the late Charles R. Street of Chicago had paid \$347,000 in 1936 or any portion of that sum for political purposes in connection with the Missouri fire insurance rate litigation settlement has been made by the City National Bank & Trust Company of Chicago, executor of his estate. The \$347,000 has been the subject of a controversy between Bureau of Internal Revenue and the estate. The bureau is attempting to impose an additional tax on the estate. The matter is now before the board of tax appeal in Washington.

According to Walter H. Eckert, attorney for the bank, Mr. Street paid \$100,000 "to someone in Missouri" in 1935 and while Mr. Street was alive he paid a deficiency income tax assessment of \$47,093.

"Mr. Street never told us to whom he paid the \$100,000," Mr. Eckert said, "but I do recall him saying that if there was any implication that it had been paid for political purposes, that assertion was a falsehood. He said the money was paid for work done legitimately. This is as much as I can tell you. That was a transaction on which we have little information."

The executor's petition to the board of tax appeal stated that Mr. Street's total estate was \$100,000. The \$347,000

in question it said represented checks which had passed through Mr. Street's hands, but not paid to him.

The St. Louis newspapers have been printing a series of copyrighted articles by Harry T. Brundidge on the Street case. The purpose seems to be to try to force a disclosure of who it was that received the \$100,000 from Mr. Street in 1935.

This \$100,000 was placed in Mr. Street's hands by the various insurance companies to clear up the final expenses in connection with the Missouri litigation and compromise. It did not represent disbursements from the fund for which Mr. Street and Attorney R. J. Follon of Chicago were trustees. The money was paid directly to Mr. Street by the companies. Mr. Street put this through his own personal account and hence it has been an herculean task to unravel the transactions. Mr. Street carried what he had done in his head and so long as he was alive he was able to carry on his various activities in orderly fashion. However, upon his death the records went with him, not only in the Missouri case but in many other of his dealings and a great deal of work has been necessary to try to fit the pieces together. No one who knew Mr. Street believes that he made any irregular use of the money that was put in his hands. This \$100,000 represented a percentage of the amount that was refunded to companies in the Missouri compromise.

Full Term for MacDonald

CHEYENNE, WYO.—Alex MacDonald, who was appointed to complete the unexpired term of Commissioner Ham, has been named commissioner for a four-year term from March 1.

The appointment, made by Governor Smith following the defeat of two bills which would have abolished the post of insurance commissioner, was confirmed by the legislature just before adjournment.

Eagle Star Offers "Grid" Rain Cover

Eagle Star has decided to try the experiment of issuing rain insurance to buyers of tickets for college football games. The idea is now being explained to the college authorities. Colleges would insert enclosures about the insurance in mailings in connection with season tickets. Those customers that decide to do so could purchase rain insurance at a premium of 10 percent of the cost of the tickets. If one tenth of an inch of rain (or its equivalent in the form of snow, sleet, etc.) should fall within a period of three hours before game time and the ticket purchaser should decide not to go to the game, he could recover the purchase price of the ticket merely by sending his certificate to the head office of Eagle Star. As with other rain insurance propositions, the insurance must be purchased seven days or more prior to the event. Eagle Star has been one of the principal rain insurers in this country for many years.

Marine Service in Omaha

Frank Fischer is being transferred by Royal-Liverpool from Chicago to Omaha to set up inland marine service in the regional office in the latter city recently opened by Wells R. King.

Praise is Given L. & L. & G.

NEW ORLEANS—The Louisiana Insurance Society took appropriate action regarding Liverpool & London & Globe closing its New Orleans branch. By this action it transferred its business to a local agency. The Louisiana Insurance Society therefore expressed its appreciation of this action as it removes the company from the direct writing field. The resolutions express "sincere appreciation of the high principles the company has always maintained in its business relations."

INTER-OCEAN REINSURANCE COMPANY

HOME OFFICE: CEDAR RAPIDS, IOWA

Condition December 31, 1938

ASSETS		LIABILITIES	
Cash in banks.....	\$ 524,879.26	Unearned premiums	\$3,444,146.17
U. S. Government bonds (amortized value December 31)	2,731,016.38	Reserve for losses	331,398.65
All other bonds (amortized value December 31)	745,869.37	Reserve for taxes	70,388.26
Stocks (Market value December 31)	1,243,125.00	All other liabilities	66,477.10
First mortgage loans	99,750.00	Capital	\$ 500,000.00
Home office building	102,774.22	Surplus	1,604,759.30
All other real estate	136,450.00		
Collateral loans	27,294.81	Treatyholders' surplus	2,104,759.30
Accrued interest	23,758.69		
Due from insurance companies	382,251.75		
(Not over 90 days)			
Admitted Assets	\$6,017,169.48		\$6,017,169.48

Note: The amortized and market values used in this statement are on the basis prescribed by the National Convention of Insurance Commissioners. On an actual market value basis the total admitted assets would be increased to \$6,086,334.87 and the net surplus to \$1,673,924.69. Securities carried at \$507,750.00 in the above statement are deposited as required by law.

REINSURANCE—FIRE AND ALLIED LINES

New York
90 John Street

San Francisco
114 Sansome St.

Los Angeles
215 West 7th St.

Fire
Tornado
Rent, Use and Occupancy
Personal Property Insurance



Automobile
Public Liability
Burglary and Plate Glass
Fidelity and Surety Bonds

The Western Casualty and Surety Company
The Western Fire Insurance Company

Statement of Condition as of December 31, 1938

ADMITTED ASSETS

	Western Casualty and Surety Co.	Western Fire Insurance Co.
United States Government Bonds	\$ 591,940.94	\$ 144,051.92
State, County and Municipal Bonds	821,906.07	186,239.60
Other Bonds	377,185.78	74,667.75
Corporate Stocks		529,320.00
Stock of Subsidiary Fire Co.	798,924.03	
CASH	729,640.83	121,013.82
Real Estate (Home Office)		221,577.87
Accrued Interest	20,869.93	4,186.12
Premiums in Course of Collection	610,950.72	55,697.18
Due from Reinsurers and Other Admitted Assests	53,207.83	
Total Admitted Assets	\$4,004,626.13	\$1,336,754.26

LIABILITIES

Reserve for Losses	\$1,272,814.00	\$ 54,261.83
Reserve for Unearned Premiums	1,414,478.33	449,339.46
Reserve for Taxes and Expenses	88,516.00	26,159.00
Reserve for Commissions	166,416.65	
Total Liabilities	\$2,942,224.98	\$ 529,760.29
Capital	\$ 750,000.00	\$ 500,000.00
Surplus	312,401.15	306,993.97
Surplus as regards Policyholders	\$1,062,401.15	\$ 806,993.97
TOTAL	\$4,004,626.13	\$1,336,754.26

Notes: In the above statements bonds are carried at amortized values. Stocks are carried at December 31, 1938 market values.

Premiums Written Since Organization	\$31,324,434.80
Losses Paid Since Organization	15,374,101.66



E. C. GORDON, Secretary-Treasurer

916 Walnut St.
 Kansas City, Mo.

RAY B. DUBOC, President

Home Office
 Fort Scott, Kansas

A-1924 Insurance Exchange
 Chicago, Ill.



WHAT ARE YOUR TOOLS?

An Agent, just as any workman, must have good tools to do his job well.

The most important of these tools is his Company. He must be able to use its facilities for his progress; its reputation, for his background. He must serve his Clients with sound, reliable protection.



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.
NEW YORK OFFICE: Central Fire Agency, Inc.
92 William Street, N. Y. C.
CHICAGO OFFICE: 209 West Jackson Boulevard
SAN FRANCISCO (Fire 425 Montgomery St.
OFFICES: (Marine 222 Sansome St.)



Insurance Statement for Use of Credit Grantors

An insurance statement form for the use of credit grantors in manufacturing, wholesaling and jobbing businesses is in the final stages of approval by the National Association of Credit Men's publications committee. The new statement has been the result of a revision simplifying the statement designed by a special committee of the insurance group of the association which was reported to the meeting of that body in the convention held last June in San Francisco. The insurance group of which Don Campbell of the America Fore's western department at Chicago is chairman, sponsored the revision of the insurance statement form in connection with the insurance educational campaign conducted by the group.

The insurance educational campaign,

originated by Mr. Campbell, has been carried on by the insurance group, and ably presented afield by W. Owen Wilson, Richmond, past president of the National Association of Insurance Agents; T. A. Fleming, National Board; Ray Ellis of the Fireman's Fund at San Francisco; J. Dillard Hall of the U. S. F. & G., and C. H. Wilson of Buffalo.

The preamble to the statement expresses the purpose of the insurance educational campaign in telling the debtor the reason for the credit man's care in checking the insurance coverage of his customers. Joint committee action of the New York Association of Credit Men's insurance committee and a committee under W. E. Mallalieu of the National Board made the revision. The form is:

INSURANCE STATEMENT

IMPORTANT—The insurance you carry has a direct and extremely important bearing on your financial standing. Excellent firms with normally adequate capital resources have had their financial standing seriously impaired or become actually insolvent because they were inadequately insured.

Please give below details of the insurance you carry. This should be useful to you not only because it will help your credit standing but also because it will enable you to review your insurance problem. Your insurance adviser can supply details of most of the information required.

The forms of insurance listed represent those most commonly in force in the average commercial business. It should be clearly and definitely understood, however, that the mere fact of your carrying all these forms does not in itself prove that you are adequately insured. You may need additional forms, or fewer, depending largely on the particular nature of your business. These are points on which you should consult your insurance adviser.

	Co-ins.	&	Co-ins.	Co-ins.	Use &	Co-ins.
	Buildings	%	Furn. & Fixt.	%	Mechandise	%
					Occupancy	%
Fire	\$.....		\$.....		\$.....	
Windstorm						
Explosion						
Riot						
Sprinkler leakage						
If your insurance is the "Blanket" type, show total amount (followed by the word "Blanket") in the "Buildings" column.						
Steam boiler—property damage \$.....					Steam boiler—use and occupancy \$.....	
Machinery breakdown—property damage					Machinery breakdown—use and occupancy	
Transportation—domestic shipments					Transportation—ocean shipments	
Interior robbery					Payroll robbery	
Safe burglary					Stock burglary	
Fidelity bonds					Check forgery	
Public liability on premises					Employers' liability	
Elevator public liability					Products public liability	
Auto public liability (owned cars)					Auto public liability (non-owned cars)	
Auto property damage (owned cars)					Auto property damage (non-owned cars)	
Workmen's compensation—Are all your employees included?..... Yes No					Life insurance (payable to business)	
If you hold property of others is your liability insured?..... Yes No					Does your public liability insurance cover construction work done on your premises?	Yes No
If you have assumed liability of others under any contract such as lease, has your public liability policy been extended to cover it?					Have you made sure that all policies covering the same property or liability read alike?..... Yes No	
If you carry any other insurance list details below:						
..... \$.....				 \$.....	
Issued to					Issued by	
Address					Address	
Date					By	

AGENTS BOOST MOVE

Executive Committee of National Association Pledges Support in Credit Work

NEW YORK—Appreciating the desirability of a closer tie-up between credit men and insurance agents, and of the announced willingness of the National Board to use its every facility for developing such relationship, the executive committee of the National Association of Insurance Agents, at its meeting here, determined whole-heartedly to support the educational program, which for the two previous years had been carried on mainly by former President W. Owen Wilson, Richmond, Va., and T. A. Fleming of the National Board.

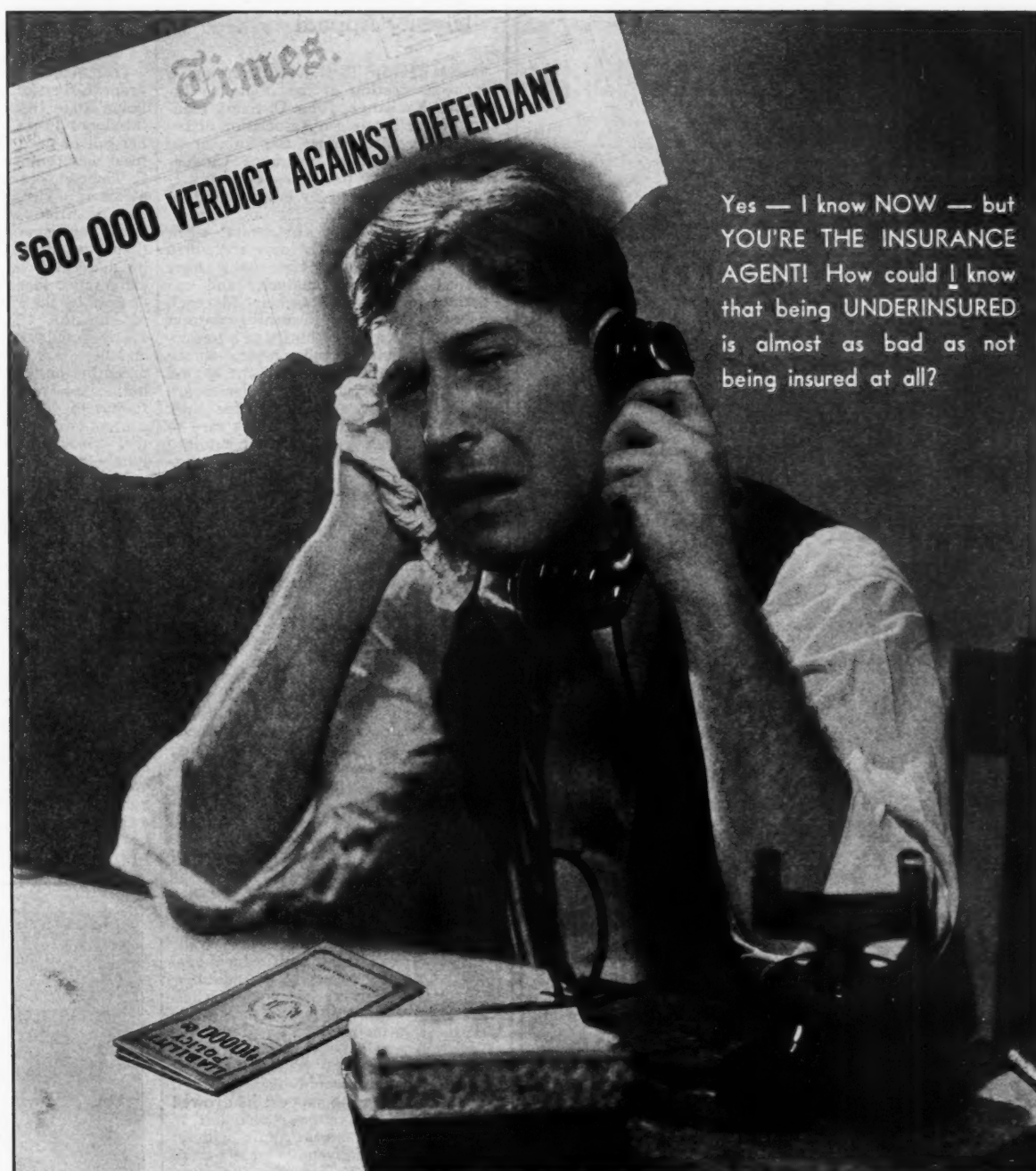
In failing to support the educational movement previously, Mr. Wilson said, the local men had been extremely shortsighted, and he urged that henceforward they become actively interested, and not

be content merely with giving "a pat on the back" of those who were on the firing line.

In addition to the National Association of Credit Men there are 122 local credit men's associations in the different cities, all of which, if properly approached, would be willing to learn from qualified insurance men what forms of indemnity and to what extent, should be carried, in order to maintain the credit of the institutions with which they are identified. In a survey conducted by the National Association of Credit Men it was revealed that within the years 1931-35, inclusive, business interests lost \$3,200,000,000 through failures and bankruptcies, 60 percent of which, it was stated, could have been saved had proper indemnity been carried. Furthermore, in the first 11 months of 1938 the failures increased 41 percent.

The intent of the present joint campaign of the National Board and the local agents association is to acquaint credit men how the heavy business

(CONTINUED ON LAST PAGE)



Yes — I know NOW — but
YOU'RE THE INSURANCE
AGENT! How could I know
that being UNDERINSURED
is almost as bad as not
being insured at all?

Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

FIRE • MARINE • CASUALTY • SURETY
Loyalty Group
INSURANCE

Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

Established
1807Entered U. S.
1916

UNITED STATES BRANCH
FINANCIAL STATEMENT
DECEMBER 31st, 1938

ASSETS

Cash in Banks and Offices	7.60%	\$ 450,642.96
U. S. Government Bonds	31.37	1,859,614.00
State & Municipal Bonds	3.34	197,969.00
Public Utility Bonds	6.03	357,453.00
Railroad Bonds	12.35	733,599.00
Miscellaneous Bonds	1.26	74,798.00
Accrued Interest on Bonds	.49	28,885.63
Public Utility Preferred Stocks	6.03	357,650.00
Public Utility Common Stocks	2.45	145,450.00
Bank & Trust Company Stocks	.81	47,737.00
Industrial Preferred Stocks	4.25	251,980.00
Industrial Common Stocks	16.89	1,001,200.00
Miscellaneous Stocks	.25	15,021.00
Agents' Balances under 90 days in Course of Collection	5.23	310,015.53
Due from Reinsurance Companies on Paid Losses	1.26	74,368.08
Association Deposits	.18	10,877.45
Notes Receivable	.18	10,852.35
Total Admitted Assets	100.00%	\$5,928,113.00

LIABILITIES

Reserve for Unearned Premiums on Policies in Force	\$1,807,071.52
Reserve for Unadjusted Losses and Adjustment Expenses	507,608.27
Reserve for State and Federal Taxes	70,901.75
Reserve for Miscellaneous Accounts Payable	25,470.00
Reserve for Funds held under Reinsurance Treaties	196,246.06
Contingency Reserve	
Representing difference between total values carried in assets for all bonds and stocks owned and total values based on December 31, 1938 market quotations.	58,574.00
Total Liabilities	\$2,665,871.60
Statutory Deposit	\$ 400,000.00
Net Surplus	2,862,241.40
Surplus to Policyholders	3,262,241.40
	\$5,928,113.00

Securities carried at \$570,750.00 in above statement are deposited with various States as required by their laws. All other securities are held by Bankers Trust Company of New York, Trustee appointed in accordance with the laws of the State of New York.

88.68% of the assets shown are in the custody of the Trustee and the various States.

Saint Lays Down the Law and Gospel

Tennessee Agency Manager Forceful in His Loyalty Appeal

MEMPHIS, TENN.—Addressing a luncheon meeting of the Memphis Insurance Exchange, John D. Saint, manager of the Tennessee Association of Insurance Agents, under the subject of "Naturalized Stock Insurance Citizenship," discussed principles of management, etc., involved in enforcement of the "in and out rule." He said in part: "Those who apply for capital stock citizenship papers to become accredited agents, do so only after they have reached the age of maturity and can contract in their own rights. Since an insurance policy is a guarantee contract executed under the authority of a power-of-attorney between the company on the one part and the assured on the second part, all who are lawful participants are presumed to be accountable for their acts. Whether all stock agents care to admit it or not, their very advent into the business imposes upon them a patriotic and moral obligation to the business, as binding as American citizenship. Our people are being made to understand that orderly government in business as well as in politics, is the vested right of the conservative majority, and no disruption from fundamental principles will be tolerated.

Fair Trade Practices

"Organization received its greatest impetus during the days of the NRA. Since those days, no individual, trade or craft has been able to plead ignorance of the benefits and obligations to fair trade practices. Notable has been that of insurance, on the company side, of life and property insurance companies. Alongside has been an equal development by the producers, better known as 'local agents.' Social Security magnified these property rights and reaffirmed 'independent contractor' status of the agents. No agent who has developed a business of any consequence can truthfully say he is uninformed as to associated agency endeavors. The trade press has overflowed with educational copy from every corner of the nation.

"In Memphis there has come a challenge from a minority group that would test these principles. The Tennessee association would be cowardly and unfaithful to evade the issue. The National association would disintegrate if it failed or refused to support its avowed purposes. We have no choice but to remain steadfast and to apply without partiality or vindictiveness these principles which give the business character. The time has passed for exhaustive speech-making or persuasive argument. We recognize the intelligence of the stock agency force. We accept them at their full moral obligation to support their business and their associated members. We desist from oratory and technical evasion. We turn now to a practical application of subscribed principles.

"Our answer shall be action. Through your accredited governors, the executive committeeman of the Memphis Exchange and the Tennessee association will come instruction on procedure. It is for the membership to follow through with unfailing loyalty until an equitable adjustment has been established."

Talk to Los Angeles Exchange

President Elmer White of Oakland and Secretary Frank Colridge of the California Association of Insurance Agents, were the speakers before a luncheon of the Los Angeles Insurance Exchange at which measures affecting insurance, now before the California legislature was discussed.

Oklahoma Governor Ousts Two Members

Commissioner J. G. Read Sole Survivor of the State Insurance Board

OKLAHOMA CITY—By executive order Governor Phillips left the Oklahoma State Insurance Board with Commissioner Jess G. Read as its sole member out of the usual three. R. M. Siegfried was removed as secretary and W. C. Theimer, fire marshal and third board member. The governor charged that Mr. Siegfried was working in the interest of insurance companies rather than that of the general public when he advocated an increase in rates for malpractice insurance policies offered to doctors by the Houston Fire & Casualty of Houston. The rates had been recently voted too low by all three board members. A public hearing had been called by the board for Feb. 21, at which both sides were to have had an opportunity to present the merits of their contentions. At the request of the doctors' association the hearing was indefinitely postponed.

Mr. Theimer's dismissal was attributed by the chief executive to lack of cooperation with the administration program. Mr. Siegfried will leave immediately for Houston, where he will establish a Texas branch office for the R. H. Siegfried Company of Tulsa, with which he is connected. The company is owned and operated by his father, R. H. Siegfried.

George M. Woods, formerly associated with the Burch Realty Company insurance department at Bartlesville, Okla., has started in the local business there.

Miss Georgia Orndorff, owner of the Sharp Insurance Agency, and George L. Edinger, Jr., associated with her in management of the business, were married at Lexington, Ky.

Home's Coast Manager Is Named Resident Secretary



CLINTON D. LASHER

Clinton D. Lasher, who was appointed Pacific Coast manager for the Home Jan. 1, 1937, has now been made resident secretary for the territory, according to President H. V. Smith. Mr. Lasher's connection with the Home dates from 1904 when he became special agent in Indiana. He succeeded to the state agency some years later. In 1932 he was appointed general manager at Chicago. His next advancement was to the coast position. Wherever he has been located Mr. Lasher has endeared himself to the organization and has made friends at every turn.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

ST. PAUL, MINNESOTA

C. F. CODERE, President

A. B. JACKSON, Assistant to President

O. J. KRUGER, Treasurer

C. H. KNOCHE, Assistant Secretary

L. W. KING, Assistant Secretary

S. J. MacMINN, Assistant Secretary

W. W. SKINNER, Investment Officer

F. R. BIGELOW, Chairman

J. C. McKOWN, Secretary

C. A. DOSDALL, Secretary

M. D. PRICE, Secretary

H. T. DRAKE, JR., Secretary

R. H. BANCROFT, Assistant Secretary

Seventy-Fourth Annual Statement — December 31st, 1938

ASSETS		LIABILITIES	
*Bonds	\$21,926,990.49	Reserve for Unearned Premiums...	\$9,594,343.39
*Stocks	11,007,082.08	Reserve for Unadjusted Losses...	1,574,711.30
Home Office and Other Real Estate	1,219,266.66	Reserve for Taxes and Expenses...	751,000.00
Mortgage Loans	1,502,327.04	Other Liabilities	356,574.45
Collateral Loans	400,000.00	Conflagration Reserve	600,000.00
Cash and Bank Deposits	1,868,133.08	Capital Stock	\$ 4,000,000.00
Agents' Balances, not over 90 days	1,776,590.82	Surplus	23,295,574.40
Due from Re-insurance Co's. Notes, etc.	253,182.24	Surplus to Policyholders	27,295,574.40
Accrued Interest	218,631.13		
	<u>\$40,172,203.54</u>		<u>\$40,172,203.54</u>

*Securities carried at \$1,977,155.40 in the above statement are deposited for purposes required by law.

The "ST. PAUL" Owns, Operates and Controls

THE MERCURY INSURANCE COMPANY and
THE SAINT PAUL-MERCURY INDEMNITY COMPANY

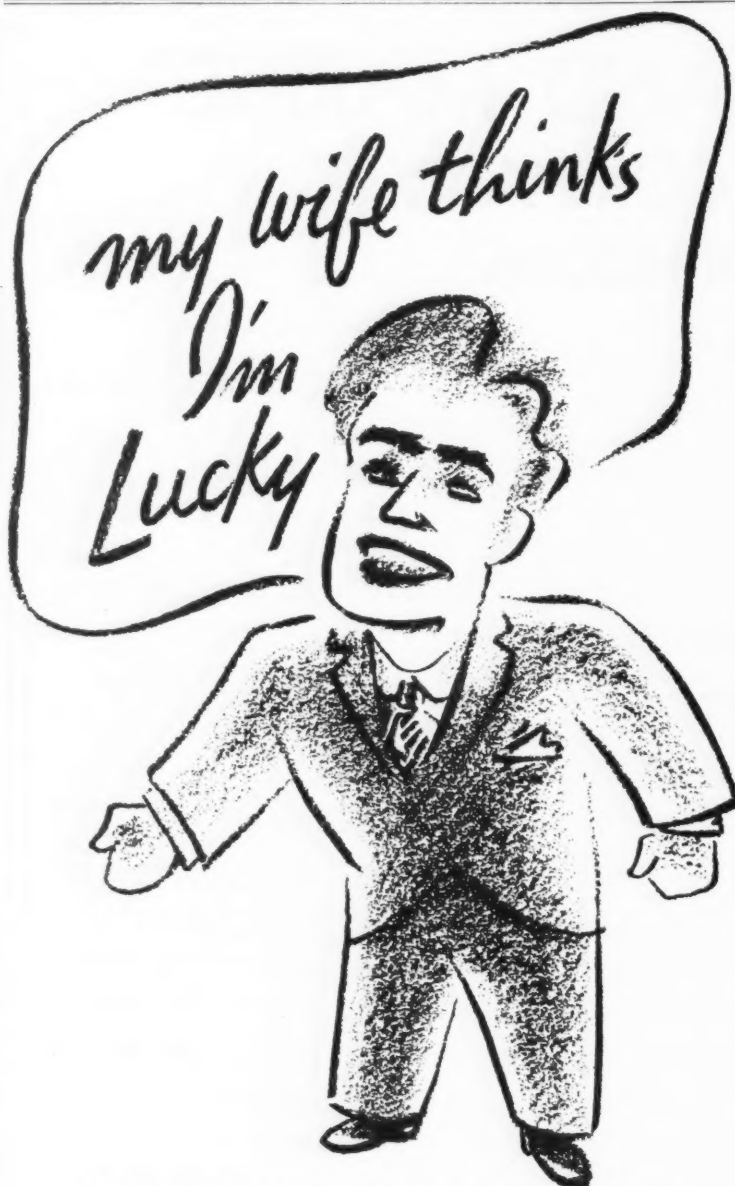
writing all classes of

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HOME OFFICES: ST. PAUL, MINNESOTA



Whenever I come home and tell the little woman that I landed Bill Smith's automobile fleet or Tom Brown's fire insurance on his factory, she says I'm lucky. She doesn't know that it is merely taking advantage of the information shown on the Phoenix-London Visible Business Record. Maybe it is a combination of luck and knowledge of where to find business. If you haven't tried it yet, you really ought to—it's great. I use their Rate Chart all of the time, too—didn't you get one?

FIRE COMPANIES
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I want to make a good impression at home, too, so how can I get the Visible Business Record and a Rate Chart?

NAME

ADDRESS

Bennett Gives Answer to Ohioans

(CONTINUED FROM PAGE 3)

cies. However, the National association is confronted with facts. It takes the position that its influence should be thrown toward mitigating the evil and in inducing the major finance companies to steer clear of the liability field. A large premium volume has been saved for the agents.

State Department Rulings

Another advance which Mr. Bennett recalls is the action of many of the state departments, including Ohio, in issuing rulings in accordance with the recommendations of the commissioner's organization that companies writing financed automobiles shall supply each assured with the terms of his contract and that the policy be countersigned by a bona fide resident agent.

President Jones referred to the National association's letter of last October which concerns two broad questions, (1) advisability of inviting governmental investigation of any branch of insurance and (2) the propriety of any state association without recourse to the National body initiating an independent movement of nation-wide consequences. Mr. Bennett states that the National executive committee meeting in St. Paul considered a protest against the action of the Ohio association in addressing a letter to Attorney general Cummings asking him to investigate the financed automobile insurance business with a view to determining whether or not a violation of the Sherman anti-trust act was involved. The Ohio secretary, Mr. Bennett states, had brought the matter to the attention of the National association after a letter had been sent.

Inviting Federal Control

The executive committee opines that to invite the federal government to investigate any branch of insurance would lead almost inevitably to the investigation of other phases and ultimately to federal regulation or control. It further held that it is ill advised for a state association to embark on an enterprise of nation-wide scope without first determining if such meets with the approval of the other state associations. The National committee felt that in inviting this investigation which affects all states, the Ohio association was denying to others that same benefit of state rights which it so zealously guards for itself. The committee declared that if a National program should be undertaken it should be done through the National organization.

Production Branch Offices

The second point made in the Ohio letter is the National association's position on production branch offices. The Ohio letter states that its body has been opposed to production branch offices and Mr. Bennett claims that the National association has taken this position for more than 10 years. The Ohio letter indicates that the National body has modified its position to one of "permission" of branch offices under certain conditions.

Mr. Bennett states that the National body has never taken the position of either permitting or prohibiting branch offices for the good reason that no such power is invested in any organization. Mr. Bennett concludes that the Ohio letter refers to the delegation from Ohio that appeared before the National committee in Dallas in October, 1937. Its spokesman, in addition to a declaration setting up parity of production cost as between agents on the one hand and company production offices on the other, declared that there should be a current position taken against the opening of a production branch office in any new location; that local boards should be urged to adopt rules not only regulating this parity of cost for exist-

ing branches but also to adopt other rules preventing new branch offices.

The National committee adopted the Ohio position as a formal declaration to be presented to the convention. Therefore, Mr. Bennett says that the formal resolution was the position which the Ohio leaders on the ground helped to establish and adopt. Mr. Bennett says it is difficult to understand how this position so established with the help and assistance of the Ohio delegates "is still against the best interest of Ohio members."

Agency Contracts

Again the Ohio letter refers to agency contracts in connection with the federal social security tax matters and the charge alleges that "these contracts struck at the principle of agent's ownership of expirations and created a fiduciary relationship on the part of agents." Mr. Bennett says that one could hardly make such a statement if he were familiar with the work that was done at the time resulting in the agreement between the National association, National Board and the Insurance Executives Association whereby the company organizations agreed in writing "in the event of termination of this agreement the agent having promptly accounted for and paid over premiums for which he may be liable, the agent's records, use and control of expirations shall remain the property of the agent and be left in his undisputed position."

This amending agreement, Mr. Bennett points out, did not change the legal aspect or the principle of the ownership of expirations. It only clarified in the contract that it had been agreed to long before that time by practically every company and is established by court decisions. Mr. Bennett finds it difficult to understand why the Ohio association believes that as amended and adopted "these contracts struck at the principle of agent's ownership of expirations." Mr. Bennett states it was never contended on the part of the administration that an agency contract had to be in the identical words of these contracts under discussion but it was believed important that they should show that the relationship of employer and employee did not exist.

Paramount Fire Controversy

Secretary Bennett next takes up the Ohio complaint as to the National association's position regarding the Paramount Fire. Mr. Bennett states that the executive committee in January had to sift many rumors and counter rumors in regard to this as yet non-existent company in order to obtain the facts. After carefully considering the plans and purposes as explained by organizers, the denial that it would exercise coercive powers and their declared policy of operating in accordance with the rules of company and agency organizations, brought out the statement that was issued. Set off against these considerations, Mr. Bennett points out, is the inherent power of coercion lodged in the mortgage banking business and the reported 100 percent reinsurance arrangement. The committee, he said, reached the unanimous conclusion that it would be ill-advised and contrary to good faith for it to sit in judgment over a non-existent institution. Hence it issued its statement on facts as it found them and expressed its disfavor of any company organized on a 100 percent reinsurance basis. It set the matter for further consideration at the forthcoming mid-year meeting.

One complaint made in the Ohio letter is in respect to a suggested uniform agent's license law. The Ohio letter says, "We are now advised that the National association is sponsoring a uniform agent's law which if enacted would destroy much of the work of this

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Write practically every form of insurance, except life.

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association in Ohio over a long period of years."

Mr. Bennett states that this subject has riveted the attention of the National executive committee for a long time. At the end of the New York conference in January an announcement was made that the administration was ready to enter into conferences with company organizations, other organizations of producers, insurance commissioners and other parties of interest for the purpose of determining "if a uniform act could be drafted and recommended to the state that would properly protect all parties and interests. Under date of Jan. 24, a draft of the proposal was forwarded to the Ohio association with this statement: "It is to be understood that this draft has been approved only by the executive committee and that it is now its intention to confer with insurance companies and other parties of interest who have heretofore expressed a desire to confer with us on this subject. We have told these people previously that we would be unable to comply with their request for a conference until our own organization itself could agree on the text of such a measure." Mr. Bennett says that if and when this work is completed the position of the National association obviously will be that an

agreed uniform agent's license and countersignature law will be drafted for the sole purpose of recommending to each state body that is desirous of securing a recommendation with text of such an agreement. At no time, said Mr. Bennett, has it ever been in the minds of the officers or executive committee to request state associations to sponsor such a law unless in the judgment of such organization it meets the needs there existing.

Different Types of Companies

President Jones of Ohio, in his letter of resignation, referred to the proposed constitutional amendment to come before the mid-year meeting and states "The National association is taking sides in a dispute between different types of companies which places it in an untenable position so far as the majority of Ohio members who have both types of companies in their agencies are concerned."

The Ohio association sent a telegram to the National office on Feb. 1, and in reply it was pointed out that for three years or more the National association has had a committee studying the constitution. The proposed draft, Secretary Bennett says, was purposely published far in advance of the forthcoming mid-year meeting to allow state as-

sociations and members ample opportunity to study them and to come to the meeting prepared to discuss them. It is difficult to understand, Mr. Bennett declares, how the Ohio trustees had concluded that the National association is prejudging a change which is a matter entirely to be determined by the members in convention assembled.

Gravamen of the Complaint

The gravamen of the complaint, Mr. Bennett finds, lies in the proposal which says, "Its object shall be to support right principles and to oppose bad practices in the transaction of the business of insurance; to uphold the principles of capital stock insurance; and to support those insurance companies which are loyal to the American agency system."

The new proposal follows the first semicolon. Mr. Bennett declares that in any event there is nothing new about the association desiring to uphold the principles of capital stock insurance. In 1921 it adopted a ringing resolution following a vigorous attack made by a New York investigating committee on the business of stock insurance. The suggestion, Mr. Bennett says, is nothing new in the annals and records of the National association. The amendment, if adopted, he says, will in no-

wise affect membership in the National body as such qualification rests solely in the state association units.

The Ohio letter indicates that it is not in accord with the National association system of selecting members of the executive committee. Mr. Bennett states that for a year up to Aug. 31, 1930, a special committee worked out in great detail with the National executive committee a revision of the constitution. One of the foremost and outstanding leaders of the Ohio association was a member of the executive committee. He took a very prominent part in the work. The result was that a revised constitution was adopted in October, 1930. The system of selecting the governing body about which Ohio complains, Mr. Bennett states, was unanimously re-established by the convention in that revision from the unanimous recommendation of the special committee handling the revision. A special revision committee, Mr. Bennett reminds Ohio, was created at Detroit in September, 1929, on motion of the spokesman of the Ohio delegation.

In conclusion Mr. Bennett states that "It must be a source of sincere regret to all the friends of insurance that the Ohio association has decided to separate itself from all other state association units and thus break the solidarity heretofore existing."

SENTIMENT IN CLEVELAND

CLEVELAND — The city of Cleveland appears to be quite unanimously in favor of the stand of the Ohio Association of Insurance Agents in withdrawing from the National association. A number of agents interviewed on the subject voiced themselves as fully in accord. Not a single dissenting opinion could be found.

Most of the agents interviewed reiterated the reasons for withdrawal already voiced by the state association. Quite definitely, they believe that the national body is more or less company controlled and that it is not working for the best interests of the agents. They point to the national order for state groups to refrain from taking up problems which have a national significance; to the suggested uniform agency standards which would have permitted outside brokers to do business in the state through their own established agencies; to the national stand on auto finance business. Most of all, perhaps, they strongly oppose the present set-up which permits the appointment of an executive committee by the chairman, leaving the states without any real voice in the matter. In short, the National association has been quite ineffective in dealing with conditions which vary with the different states, the agents declare. Furthermore, measures which the Ohio association has drafted of direct benefit to agents, have been opposed by the national body, they add. The Ohio association, according to Cleveland agents, has been the principal working medium for agents in this state.

CLEVELAND RESOLUTION

COLUMBUS, OHIO—The Ohio Association of Insurance Agents has received word from Cleveland that the

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company of New York
Organized 1849 Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

Sussex Fire Insurance Company
Newark, N. J. Incorporated 1928
Capital \$1,000,000.00



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Put more business
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THE PHOENIX
INSURANCE COMPANY
OF HARTFORD, CONNECTICUT
Cash Capital, \$6,000,000.00
Surplus to Policyholders, \$44,807,872.44

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RELIABILITY
based on a record
of satisfactory service
to agents and policyholders



NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

Hart Darlington, Manager

Eagle Fire Company of NEW YORK

Incorporated 1806

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION INDEMNITY COMPANY

Hart Darlington, President

75 Maiden Lane, New York

In NORWICH UNION there is strength

COMPANIES

board of trustees of the Insurance Board of Cleveland passed the following resolution at the trustees meeting on Monday:

"The board of trustees of the Insurance Board of Cleveland approves and fully supports the action of the Ohio Association of Insurance Agents in withdrawing as a co-extensive unit from the National Association of Insurance Agents and commends the state association for its efforts to protect and promote the interests of the agents of Ohio."

It is a well known fact that the Cleveland Board has been a staunch supporter of the National association in the past but in this emergency it turned full support to the state association which it feels has the interests of the agents closer at heart.

NO ACTION AT TOLEDO

TOLEDO, O.—The Toledo Association of Insurance Agents met in special session with Frank Corns, president, presiding. It had as guests Paul Tribolet of Bellevue, a trustee of the Ohio association and Paul Kridler of Fremont, past trustee. They, together with Harvey Martin of Toledo, past president of the association, gave explanation of the facts which led to the action of the trustees of the Ohio association withdrawing from

the National association. Close attention was given to their explanation and also to the reading of a letter received from the office of the National association. No discussion followed and the meeting adjourned without taking definite action.

CINCINNATI—Flatly contradicting other reports, the sentiment of leading Cincinnati agents is opposed to secession of the Ohio association from the National association without further deliberation and consent of members. Theodore Safford, state trustee from this district, was not present when withdrawal was approved. He wired a negative vote and suggested open discussion at a later date. It is believed that many agents here will wish to retain some form of national affiliation. The Cincinnati Board is not coextensive and hence will take no official position.

H. P. North in Training in N. Y.

NEW YORK.—H. P. North, recently appointed to represent the Business Development Office on the Coast, is now at the New York headquarters. He will remain here several weeks, getting familiarized with the work. He will attend the mid-year meeting of the National Association of Insurance Agents in Hollywood, Fla.

COMPANIES

Service Fire Has No Thought of Extending Its Scope

NEW YORK — The Service Fire of this city, the entire capital of which was recently secured by the Commercial Investment Trust, will continue as the medium for writing the fire, theft and collision coverage on automobiles financed by the latter organization. All policies as previously will be countersigned by local agents. The C. I. T. has no thought of extending the activities of the fire company to lines other than it now writes. Once its pending application for admission to Massachusetts be granted, the Service Fire will be licensed in all states of the union.

Boston and Old Colony Storm Losses Were \$1,100,000

Boston and Old Colony had about 2,500 claims amounting to \$1,100,000 in the New England hurricane, President W. R. Hedge reports in releasing the annual statement. Claims were paid under almost every type of policy, he said. Despite this demand, the surpluses of

Boston and Old Colony were increased. Assets of the Boston are \$24,194,057, premium reserve is \$4,589,103, capital \$3,000,000 and net surplus \$13,934,125. The surplus is 3.6 times the premium reserve.

Old Colony assets are \$9,841,626, premium reserve \$1,626,399, capital \$1,000,000 and net surplus \$6,655,041. Surplus to policyholders is 4.7 times premium reserve.

Home F. & M. Report

The Home Fire & Marine reports an increase in net surplus in 1938 on the official valuation basis, of \$425,000, bringing the surplus to policyholders to \$4,161,000 and total assets to \$7,017,000. With bonds valued on the market basis the surplus would be \$77,000 higher.

The fire department wrote \$1,810,000 in premiums, practically the same as in 1937, with a profit of 8.33 percent. Marine premiums were \$488,000—7 percent below 1937—with profit of 8 percent. Net underwriting profit was \$199,000 before income taxes; \$164,000 after. The company has \$464,000 in cash; stocks and bonds \$6,000,000.

Surplus Reaches \$1,000,000

Northwestern Fire & Marine, which this year completes its 40th year, for the first time in its history has passed the \$1,000,000 mark in respect of net surplus. The figure is \$1,011,480. The capital is \$1,000,000.

Although operating nationally, Northwestern F. & M. gets most of its business from the middle west. Its premiums in 1938 increased about 4 percent. Assets are now \$3,001,915.

Twin City Fire, which is entering its 27th year, now has net surplus \$927,962, as compared with \$827,000 the previous year. The capital is \$500,000.

Makes Split of 10 For 1

Security of Davenport is reducing the par value of its capital from \$100 a share to \$10. An amendment to its articles of corporation to this effect has just been filed. This has been done to facilitate the exchange of stock. On the old basis the stock has been selling in the neighborhood of \$200.

National Union Figures

The National Union Fire's assets are \$16,406,368, premium reserve \$7,096,418, special reserve \$1,000,000, capital \$1,100,000, net surplus \$5,590,575.

The Birmingham Fire's assets are \$1,397,576, premium reserve \$159,935, capital \$500,000, net surplus \$689,333.

Commercial Union Reports on '38

Commercial Union has now issued its statement, reporting assets \$12,434,452. Premium reserve is \$4,849,575, statutory deposit is \$400,000 and net surplus \$5,821,403.

The affiliated American Central shows assets \$7,475,453 and surplus to policyholders \$4,708,866.

The Birmingham Fire of Birmingham has elected Benjamin Russell, textile manufacturer of Alexander City, Ala., a director.

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Strength, Safety and Service have spread the reputation of THE PEARL among producers and buyers of insurance on every continent. Thus it is a strong point of prestige for agents to represent The Pearl Assurance Company, Ltd.—"One of the Strongest Insurance Institutions in the World."

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CLEVELAND, O. 313 Bulkley Building	CINCINNATI, O. 1724 Carew Tower	SAN FRANCISCO 200 Bush Street

You will be kept up-to-date in insurance coverage as an agent for this company. Find out if there is an opening in your territory.

SINCE 1850
Connecticut
FIRE INSURANCE CO.
OF HARTFORD, CONNECTICUT
Cash Capital \$2,000,000.00
Surplus to Policyholders \$15,190,811.89

AS SEEN FROM CHICAGO

FORMULATES NEW MEETING PLAN

A new policy for conducting meetings of the Insurance Club of Chicago has been formulated by R. E. Baker, Hartford Accident, president. The club has been divided into eight groups each of which will take charge of one of the meetings during the year electing their own chairmen of entertainment, speaking and membership. In this manner it is hoped that a spirit of competition will be engendered among the group and that not only better meetings but also a larger membership will result.

THIEMEYER NAMED CHAIRMAN

H. R. Thieme, North America, was elected chairman of the Western Sprinkler Leakage Conference at the annual meeting, succeeding Melvin Le Pitre, Fire Association. Emil J. Hepp, Springfield F. & M., is vice-chairman and P. J. Doyle, Western Actuarial Bureau, secretary. For 1937, the latest year for which records have been completed, the sprinkler leakage loss ratio in the western field was 41.

GILES IS MAKING RECOVERY

H. M. Giles, president of Millers National, who has been confined to his home in Wilmette, Ill., for a few weeks because of illness, is reported to be making steady progress toward recovery.

BELL ON CALIFORNIA VACATION

George H. Bell, western manager of National Fire, left this week for a vacation of several weeks at Coronado Beach, Cal. Mr. Bell for the past few years has been taking a vacation at this season.

SOERENSON WITH NORTH AMERICA

Jarl Sorenson, a graduate of Armour Institute of Technology who gained his early experience in the Ohio Inspection Bureau, has joined the North America in its engineering department in Chicago.

"GROSS EARNINGS" IN CHICAGO

The Chicago Board has now given approval to the new gross earnings use and

occupancy form which has been in effect in downstate Illinois.

PLAN EDUCATIONAL MEETINGS

A series of educational meetings will be held in the near future by the Cook County Field Club for class 2 agents throughout Chicago and the county. It is proposed to have outstanding speakers in the insurance business cover the general types of marine and fire coverages. These meetings will be under the direc-

tion of L. P. Warren, Associated Agencies, who is chairman of the Business Development committee of the club. This group will have a meeting next week to formulate plans for this program.

Charles Buresh of Fred S. James & Co., Chicago, left Monday of this week for a vacation of two or three weeks in Florida. He shipped his car to Atlanta and will motor from there.

Farm Executives at French Lick

The advisory committee of the Farm Underwriters Association at its three-day meeting in French Lick, Ind.,

adopted a number of recommendations which will be passed upon by the managing committee at its meeting March 8. Ira Goss, America Fore, presided as chairman of the committee. About a dozen attended.

Mobilizing Insurance Women

Pearl Elsea, 206 National Aid Life building, Oklahoma City, Okla., who is a representative of the Insurance Women's Club of Oklahoma City, is very anxious to get a list of all the women's insurance organizations in the country together with their officers. It is the plan eventually to have a national body.

BILL JONES DOESN'T CARE . . .

Bill Jones is the fellow you play bridge with . . . or he may be that likable chap at the corner filling station. He belongs somewhere in the wide range of middle class incomes. He's a steady worker, puts a few dollars in the bank on pay day and tries to take care of his family the best he can.

Bill Jones believes in insurance. He feels better to know that his life policy will provide for his wife and kids in case something happens to him. He carries insurance on his modest home and on his car because they're the most valuable possessions he has. Bill thinks that anyone who doesn't carry insurance is a blithering idiot.

But we'll give you good odds that Bill Jones doesn't know the names of the companies that are insuring his life, his home and his car. When the agent or broker delivered his policies, Bill tucked them away in a safe place and forgot about them. The simple fact is that Bill Jones doesn't care about names. All he wants is protection.

Naturally, we'd like Bill Jones to demand policies issued by our companies whenever he thinks of property insurance. But even if he doesn't, we're proud of the fact that our stability, our soundness and our careful management have helped build up in Bill Jones' mind the fact that all capital stock fire insurance companies can be trusted to give a full measure of protection throughout the term of any policy.

The fire insurance industry is a great industry today because it has behind it the proud tradition of companies that have met every obligation with impeccable honesty for tens and hundreds of years. Without fanfare, these companies—companies like The London Assurance, The Manhattan Fire and Marine and The Union Fire, Accident and General—have contributed to the insurance business that vital spark of progress—public confidence.

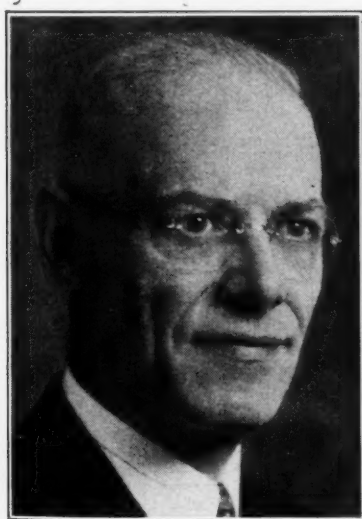
* * *

The time may come when individual companies will tell their stories so effectively that Bill Jones will express a particular preference for the policies of one company over those of another. The day of widespread consumer advertising may be at hand. But until that day arrives, we take pride in the fact that Bill Jones doesn't care whose policies he has. For this indifference is a tribute to the soundness and integrity of all capital stock companies.

* * *

We want Bill Jones to believe in INSURANCE, not in insurance companies. We want him to think in terms of PROTECTION, not individual policies. And we know that as long as he does that, progressive agents and progressive brokers will not hesitate to transfer Bill Jones' trust to us.

Twenty-five Years



H. R. THIEMEYER, Chicago

H. R. Thieme, Chicago, manager of the brokerage and service department in the western office of the North America, is one of the real students of the business, a man of profound knowledge, one who does much thinking as he goes along and who is regarded as an authority in his particular activity. He started with the North America, Feb. 15, 1914, as associate examiner. Prior to that he had held a similar position in the western office of the Springfield F. & M.

THE LONDON ASSURANCE

A. D. 1720

THE MANHATTAN

Fire and Marine

THE UNION FIRE

Accident and General

99 John Street



New York, N. Y.

NEWS OF FIELD MEN

Caldwell Retires After 26 Years

After 26 years of continuous service, Homer Caldwell, state agent Springfield F. & M. in Illinois since 1913, is retiring. Succeeding him will be F. H. Fortman.

Mr. Caldwell is one of the real old timers in the fire insurance business. His original field work was with the Home in Ohio about 1888 or 1889. From there he went to Indian Territory and southern Kansas, with headquarters in Wichita. For many years he traveled that field with W. H. Lininger, honorary vice-president Springfield F. & M. In 1913, when Mr. Lininger was assistant manager of the western department of the Springfield group, he called upon Mr. Caldwell to join the organization.

Mr. Fortman joined the Springfield in 1926, going from Swift & Co. His office will be 1602 Alliance Life building, Peoria, Ill.

Kinnaird Illinois State Agent for Merchants of Denver

John H. Kinnaird, formerly state agent in central Illinois for Security of New Haven, has joined Merchants Fire of Denver as Illinois state agent. He is located at 899 West North street, Decatur.

Lyle Georgia State Agent; Albrecht Goes to Atlanta

ST. PAUL.—The St. Paul Fire & Marine has appointed J. F. Lyle state agent in Georgia to succeed Fred Myers, resigned. Mr. Lyle for two years has been assistant to Manager C. D. Grover at Atlanta and prior to that for several years was in training at the home office. He is a son of the late W. C. Lyle, who served the St. Paul for many years as state and general agent in the Rocky Mountain field. His brother, W. D. Lyle, now occupies the father's position.

Succeeding Mr. Lyle as assistant to Mr. Grover will be Karl Albrecht, who has been with the St. Paul 11 years, mostly in the home office.

K. J. Hoag President

At the annual meeting of the Stock Fire Insurance Speakers Association of Ohio, K. J. Hoag, Fireman's Fund, was elected president; C. M. Mullican, Jr., North America, vice-president; R. W. Mercer, Home, secretary; Howard Underwood, Providence Washington, treasurer. The executive committee consists of W. H. Witherspoon, Aetna Fire, chairman; Milt Johnson, Rhode Island; W. W. Waters, Ohio Farmers; Martin Vold, Springfield F. & M.; B. F. Flood, Royal-L. & L. & G.; J. D. Lecky, Jr., Royal Exchange; D. P. Hague-Rogers, Eagle Star. Mr. Lecky is the retiring president and gave a comprehensive report.

Bay State Club Meeting

The Bay State Club, composed of special agents working out of Boston, will stage an insurance department night Friday evening at the Boston Chamber of Commerce. Guests will include Commissioner Harrington, E. S. Cogswell, T. H. O'Connell, and J. S. O'Leary, deputies.

Map Illinois Pond Initiation

A tentative decision was made by officers of the Illinois Blue Goose at a luncheon meeting in Chicago Monday to hold a dinner and initiation in Chicago the latter part of March or early in April. A special effort will be made to sign up a number of new members prior to that time.

James E. Guy, automobile superinten-

dent America Fore, the new most loyal gander, announced his committee appointments. Ben F. Peters, Royal-Liverpool, heads the membership committee; Frank G. Cargill, North British & Mercantile, initiation; D. C. Campbell, America Fore, guard; John Sonnen, finance and auditing; John Chickering, Sun, visiting; A. A. Knopp, New York Underwriters, memorial, and D. J. Harrigan, St. Paul F. & M., relief.

Anthracite Field Meeting

The Pennsylvania Anthracite Field Club will hold a meeting on the evening of Feb. 28 at Wilkes-Barre. J. M. Crosby of the Anthracite Institute will talk on the progress being made by the hard coal business in combating competition of other fuels.

Weiss Is Illinois Special Agent

The Glens Falls and Commerce appointed Albert J. Weiss special agent to handle northern Illinois, exclusive of Cook county, and northern Indiana. He takes over the duties of George Schweers, who has become assistant manager of the Glens Falls group in the Chicago office. Mr. Weiss' headquarters will be in the Insurance Exchange, Chicago.

Home Regional at Columbus

A regional meeting of Home of New York field men was held in Columbus, O., with Ivan Escott, vice-president, presiding. About 70 attended, including field men from Ohio, Indiana, Michigan and Kentucky. Other Home officials present included Harold V. Smith, president; L. Peterson, secretary; H. D. Payne, supervisor; George Condiff, associate manager farm department; Vincent Sweeney, marine department; Jacob Nelson, manager hail department; George Allen, vice-president; S. A. Wherry, manager survey department, Chicago; Robert Newhouse of Newhouse & Sayre, New York; John S. Love, vice-president Home Indemnity, and L. V. Grady, assistant secretary. Similar regional meetings have recently been held in Omaha, Chicago and Atlanta.

Millers National Fieldmen's Rally

Next Monday the Millers National fieldmen will assemble for a four days meeting at the home office in Chicago. The chairman will be John T. Harding, Illinois state agent, and D. R. Stephens, Indiana state agent, secretary.

An interesting feature of this year's rally is that the fieldmen will conduct the meeting and comprise the speakers with the exception of introductory remarks by A. A. Krueger, secretary W. S. Whitford, vice president, and R. S. Danforth, assistant secretary.

N. J. Field Club Dinner

The first dinner-meeting under the new officers of the New Jersey Field Club will be held in Newark Feb. 27. The film, "Approved by the Underwriters," will be shown, with W. E. Armstrong, service engineer of the Underwriters Laboratories, as speaker.

A questionnaire has been sent to all members of the club for the purpose of receiving suggestions for the improvement of the meetings of the organization. John N. Ochs, president of the club will preside during the evening.

Eagle Star Roundup in New York

Eagle Star field men from throughout the country were in New York last week for the annual get together with U. S. Manager Harry Casper and other head office executives.

H. D. McNair a Speaker

Superintendent McNair of Ontario spoke to the luncheon of the Quebec Blue Goose on insurance problems. He

deplored the lack of cooperation and adherence to rules by company managers.

Middleton Talks on Cargo Cover

W. A. Middleton, special agent of Automobile of Hartford for Indiana and Kentucky, discussed inland marine motor truck cargo insurance before the Indiana Blue Goose study class in Indianapolis.

New Hampshire Field Rally

The New Hampshire Fire is holding a central western field roundup in Chicago this week. There are present representing the home office Vice-president H. F. Berry, Secretary A. I. Doling and William Hallowell, manager of the inland marine department. At the dinner Tuesday night Secretary C. F. Thomas of the Western Underwriters Association gave the chief talk.

R. B. Sherman to Speak

CINCINNATI—R. B. Sherman, state agent Northern Assurance, Columbus, will speak on the selling points of the new business interruption insurance form at the March 9 meeting of the Cincinnati Fire Underwriters Association.

NEWS BRIEFS

The Spokane Special Agents Association held its first Business Development meeting at Couer d'Alene. J. A. Sabiston, Hartford Fire, outlined plans for 1939.

W. H. Harrison, state agent National Fire and president of the Iowa Insurance Federation, is back at work after being laid up for ten days with sinus trouble.

The Nebraska Fire Prevention Association will meet in Holdredge, March 2.

A. V. Godsavie, will speak on "Wills, Trusts & Estates" at the Feb. 27 meeting of Seattle Blue Goose.

The Ohio Fire Underwriters Association and the Ohio Association of Fire Underwriters will meet in Columbus March 7.

Inspections to be made by the Ohio Fire Prevention Association follow: Bellevue, March 1; Toronto, March 16; Portsmouth, April 13; Lisbon, April 20 and Akron, May 3 and 4. At the Warren, O., inspection, J. Burr Taylor, and R. E. Vernor, Western Actuarial Bureau, spoke.

The annual meeting of the Nebraska Blue Goose will be held in Omaha March 13.

NEW YORK

ELECT SALMON DIRECTOR

H. H. Salmon has been made a director in Johnson & Higgins, New York City. Mr. Salmon has been a member of the firm for 15 years. He entered the insurance business with Willcox, Peck & Hughes in 1919 and when that corporation merged with Johnson & Higgins in 1924 he went into that organization. He has specialized in aviation insurance and inland marine insurance, gaining considerable prominence through his handling of special risks including bridges and other large lines.

ESTATE OF JAMES MARSHALL

James Marshall, long an officer of Northern of New York, and its honorary board chairman when he died in 1937, left an estate appraised at \$715,021 gross and \$651,827 net. Holdings included stock of Northern, valued at \$225,168.

DECREASE IN UNPAID PREMIUMS

A small decrease in earned premiums due fire and casualty companies on their New York local business last September, compared with the record for the same

Hepp with Springfield F. & M. Since 1921

E. J. Hepp, who was recently made assistant secretary Springfield F. & M.



E. J. Hepp

group, has been in the Chicago office since 1921, the year following his appointment as special agent in Ohio for the Springfield F. & M. Since 1931 he has been superintendent of the brokerage and improved risk department. A graduate of the Armour Institute of Technology, Mr. Hepp first entered insurance as inspector

with the Underwriters Bureau for the middle and southern states, later leaving to serve as sprinklered risk inspector for American Lloyds, New York City. After serving in the world war, he returned to American Lloyds and remained with them until 1920.

month of 1937, is revealed in the latest report of the Central Bureau. The overdue premiums in September, 1938, totaled \$87,090, as against \$87,651 in September, 1937. Of that amount \$14,114 was due fire companies and \$72,776 casualty.

NEW HIGH FOR INSTITUTE

Registrations for examinations of the Insurance Institute of America to be held in April number 4,127, exceeding the 1938 record by more than 600, and making an all-time high. Students are enrolled from 36 states, District of Columbia, Hawaii, Puerto Rico, eight Canadian provinces and four foreign countries.

BIG LOSSES IN JANUARY

The United States Chamber of Commerce lists these fires that occurred in January which were estimated to have caused loss of \$100,000 or more each:

Mt. Savage, Md., railroad shops and five freight cars, \$100,000; Fall River, Mass., four business buildings, \$100,000; Poughkeepsie, N. Y., waterfront factory buildings, \$250,000; Woodside, L. I., fifteen stores, \$200,000; Indiana, Pa., store and apartment building, \$100,000; Charleston, S. C., boat, \$125,000; Brookneal, Va., six business buildings, \$100,000; Rantoul, Ill., army air base, \$1,000,000; Fowler, Ind., packing plant, \$150,000; Marlon, Ind., theater, \$100,000; Rochester, Ind., hotel and dancing pavilion, \$100,000; Kansas City, Kan., sporting goods store, dry goods store and Atlantic & Pacific store, \$150,000; Louisville, Ky., church and school, \$300,000; Bemidji, Minn., business building, \$200,000; Tishomingo, Okla., dry goods store, shoe shop, theater and office building, \$100,000; Hariman, Tenn., three stores and theater, \$100,000.

C. R. Jones, head of Charles R. Jones Company, New York City, died suddenly at the age of 56. He was widely known in the insurance world, being a director of Globe & Republic Fire and Philanthropic Mutual.

The National Fire & Marine is withdrawing from the New York Fire Insurance Exchange.

Hanover Fire's Figures

The new statement of Hanover shows assets \$16,224,758, gain \$696,903, premium reserve \$4,968,102, gain \$162,388, capital \$4,000,000, net surplus \$5,704,764, gain \$791,716.

L. H. Eckardt, assistant secretary in charge of the accounts in the North British head office, celebrated his 50th anniversary with the organization, a dinner being tendered by his official associates. He started with the San Francisco office in 1889.

LEGISLATION

Georgia—A house bill increases the gross premium tax from 1½ to 3 percent and changes the time for reporting gross premium income from July 1 to March 1. Another house measure repeals the occupation tax imposed on agents and levies a similar tax on insurance companies.

A bill permitting insurance companies to issue "industrial insurance" has been passed by the senate by a vote of 36 to 0. The bill would allow insurance policies against economic ills such as shutdowns. No insurance against strikes would be authorized.

Idaho—Five percent countersignature law passes house, reported favorably in senate.

Indiana—The Senate has passed a bill permitting Indiana insurance companies to invest in municipal revenue bonds and industrial debentures.

A house bill tightens restrictions on the appointment of agents and provides for a written examination for new licenses and a \$10 application fee.

Iowa—An anti-discrimination law has been introduced, it is understood at the instance of the mutuals.

Kansas—No city or municipality shall exercise any licensing power over insurance companies if House Bill No. 318 is adopted. However cities or municipalities are not to be prevented from imposing an annual premium tax. A qualification and licensing act for adjusters is covered in Senate Bill 205. W. M. Moore, executive secretary of the National Association of Independent Insurance Adjusters, spent several days in Topeka last week with reference to the bill.

Michigan—A bill to prohibit writing of property insurance in Michigan by other than resident agents has been offered in the house. It would return the law virtually to the same form in which it was a number of years ago when the situation was deemed far from satisfactory and agents' association leaders were instrumental in obtaining the present code provision for issuance of non-resident agents' licenses.

Montana—H.B. 213 is looked upon favorably by Montana State Association of Insurance Agents. It creates a state insurance commission, comprised of the state auditor, state accountant and chairman of the state board of equalization to examine and approve all fire and casualty contracts. H.B. 274 creating a state fire insurance fund has been defeated. H.B. 296 drastically increasing premium taxes of all is being opposed.

Nebraska—Reciprocals are opposing two premium tax bills. One places them on stock basis in supporting the fire marshal's office and the other changes the basis of taxation of reciprocals from gross premiums less returns to subscribers to the gross without credits.

New Hampshire—Bills substituting a two percent tax on gross direct premium for the present tax of reinsurance premiums for an insurance company and providing for compulsory examination every three years of all domestic insurance companies have been passed by the New Hampshire house. A bill which would have increased fees charged an insurance company for licenses which was backed by the state department was defeated.

New Mexico—Agents' license bill reported favorably in both houses.

Nevada—Increase in gross premium tax from 1½ to 1¾ percent passes.

Texas—The Texas Association of Insurance Agents is polling its members with a view of ascertaining how they stand on the commission bills before the legislature. Some reports say the opposition is so strong that the bills may be withdrawn.

Wisconsin—Several bills have been introduced relating to the standard policy of town mutuals, their formation and extent of underwriting powers.

Nebraska Probe Is Being Reconsidered

LINCOLN, NEB. — The legislature has reconsidered, without any opposing vote, the motion to indefinitely postpone consideration of the resolution calling for an investigation of the insurance department. Senator Miller, author of the original resolution, said that if the resolution is again killed he will offer bills covering requirements that individuals organizing insurance companies must risk their own money rather than by putting up their notes; defining what publicity shall be given as to the standing of directors and officers starting a new company; more rigid restrictions upon assessment companies, requiring reserves for payments of losses being set up from the beginning; strengthening of the laws relating to mergers in order to protect policyholder's interests, and placing greater responsibility upon the department by enlarging its powers.

The resolution requires a report on or before the 70th day of the resolution, but members who want a thorough probe to extend to company affairs say that the \$2,000 appropriated would be wasted money, and that a thorough probe cannot be made during the life of the present session.

Originally \$50,000 from the surplus funds of the state insurance department was voted for an investigation but it was later cut to \$2,000.

Roosevelt Case Again in Court

BOSTON.—The broker's suit for \$31,750 in commissions which allegedly went to James Roosevelt, son of the President, brought by Arthur D. Cronin against the National Shawmut Bank of Boston, was again in court. Cronin claimed there was a breach of contract when the bank placed an \$850,000 insurance contract with O'Brien, Russell & Co., in 1934, with the knowledge the commission would be shared by Roosevelt & Sargent, which firm has quarters in the same office. Cronin claimed the contract was based on proposals submitted by him.

Superior Judge Williams took the case under advisement.

Last November a court auditor found for the defendant on Cronin's suit for commissions on insurance covering automobiles financed by the bank. The auditor admitted the bank placed the contract so that the commission would be shared by James Roosevelt but further held the bank was not influenced by the fact young Roosevelt's father is President.

National's Hurricane Loss

The gross losses of National Fire in the September hurricane were \$500,000 and the net \$250,000.

D. C. Miller, a local agent at Tulsa died at his home there from a heart attack.

Simpson Is a Contributor to Morrison Study Course

Kyle Simpson, Conkling, Price & Webb, is one of 12 contributors to the recently announced Morrison home study plan. He is the only insurance man among the outstanding brokers, accountants and appraisers who participated in the formulation of this year's course, which is offered by the Morrison School of Real Estate of Chicago.

It is a correspondence course which is divided into 26 lessons covering 34 subjects. Each lesson requires two weeks of study, thus the course takes a year to complete. Embracing all types of real estate practices, it is said to be one of the most thorough courses of its kind.

Each lesson is built on the other, and the student is lead logically through the lessons so that by the time the course is completed, he has a thorough basic knowledge of the many ramifications of real estate.

Experience 1938 by Lines

AETNA FIRE		
	Net Prem.	Losses Pd.
Fire	\$12,311,717	\$4,375,395
Tornado-windstorm ..	1,076,796	545,538
Sprinkler leakage ..	45,009	6,625
Riot and explosion ..	229,713	31,673
Earthquake	15,713	.....
Hail	617,982	389,270
Motor vehicle	5,408,258	3,059,461
Ocean marine	954,993	629,498
Inland marine	1,326,853	495,344
Aircraft	52,719	22,461
Other lines, rein....	18,526	13,248

AGRICULTURAL		
Fire	\$3,824,460	\$1,519,182
Tornado-windstorm ..	236,543	153,171
Sprinkler leakage ..	13,889	6,276
Riot and explosion ..	57,833	9,508
Earthquake	4,279	.....
Hail	34,699	23,923
Motor vehicle	1,098,636	462,745
Ocean marine	359,704	236,705
Inland marine	156,104	65,277

ALLIANCE, PA.		
Fire	1,484,100	531,918
Tornado-windstorm ..	107,384	49,414
Sprinkler leakage ..	7,732	2,748
Riot and explosion ..	37,931	7,974
Earthquake	2,466	4
Hail	69,675	44,167
Motor vehicle	253,157	115,212
Ocean marine	161,315	103,507
Inland marine	234,839	101,011
Aircraft	1,853	1,034
Other lines	3,870	1,955

ALLEMANNA FIRE, PA.		
Fire	\$1,079,230	\$ 418,754
Tornado-windstorm ..	77,295	48,559
Sprinkler leakage ..	3,656	700
Riot and explosion ..	24,712	6,180
Earthquake	6,342	.....
Hail	17,116	6,408
Motor vehicle	106,478	54,844

AMERICAN AUTO FIRE		
Motor Vehicle	\$2,865,032	\$1,027,406

AMERICAN DRUGGISTS FIRE, O.		
Fire	388,342	127,528

AMERICAN EAGLE FIRE		
Fire	2,060,604	754,883
Tornado-windstorm ..	114,786	56,939
Sprinkler leakage ..	9,013	3,936
Riot and explosion ..	25,918	2,106
Earthquake	5,551	.....
Hail	41,701	29,076
Motor vehicle	234,080	87,844
Ocean marine	188,827	131,385
Inland marine	165,681	47,568
Aircraft	2,107	2,051

AMERICAN FIRE, OF TEXAS		
Fire	\$ 45,418	\$ 12,984
Tornado-windstorm ..	8,667	2,285
Motor vehicle	2,171	1,855

AMERICAN HOME FIRE, N. Y.		
Fire	658,090	312,170
Tornado-windstorm ..	47,586	9,343
Sprinkler leakage ..	1,642	737
Motor vehicle	218,150	140,831
Inland marine	52,415	20,793
Other lines	25,162	3,041

AMERICAN INDEMNITY		
Fire	\$ 137,316	\$ 46,390
Tornado-windstorm ..	25,956	14,699
Motor vehicle	1,594,364	646,167
Other lines	109,069	16,754

ASSOCIATED F. & M.		
Fire .....	.....	738
Motor vehicle	51,721	10,872

AUTOMOBILE OF HARTFORD		
Fire	4,623,077	1,708,789
Tornado-windstorm ..	365,036	254,591
Sprinkler leakage ..	11,771	5,276
Riot and explosion ..	98,301	12,301
Earthquake	6,643	.....
Motor vehicle	2,863,805	1,071,307
Ocean marine	1,694,084	1,067,864
Inland marine	2,430,583	844,498
Aircraft	33,941	19,951

CALIFORNIA		
Fire	1,047,937	393,911
Tornado-windstorm ..	93,280	60,507
Sprinkler leakage ..	13,585	1,937
Riot and explosion ..	4,054	1,189
Earthquake	1,635	7
Motor vehicle	187,084	89,236
Inland marine	27,572	11,629

CAMDEN FIRE		
Fire	3,201,842	1,285,670
Tornado-windstorm ..	295,450	143,959
Sprinkler leakage ..	9,093	2,192
Riot and explosion ..	11,367	6,488
Earthquake	3,934	.....
Hail	44,138	38,615
Motor vehicle	1,517,206	779,303
Ocean marine	140,704	136,732
Inland marine	318,438	138,934

CITIZENS, N. J.		
Fire	273,914	94,641
Tornado-windstorm ..	12,408	6,500
Sprinkler leakage ..	1,240	130
Riot and explosion ..	4,845	161
Motor vehicle	24,514	9,717
Ocean marine	50,823	33,924
Inland marine	10,686	4,863

CENTRAL FIRE		
Fire	742,050	265,959
Tornado-windstorm ..	53,692	24,707
Sprinkler leakage ..	3,866	1,374
Riot and explosion ..	18,965	3,987
Earthquake	1,233	2
Hail, growing crops only	34,838	22,083
Motor vehicle	126,579	57,606
Ocean marine	13,442	8,626
Inland marine	19,570	8,418
Rain and flood	1,847	975

CENTRAL SURETY FIRE, MO.		
Motor vehicle	139,674	42,473

CHURCH PROPERTIES FIRE		
Fire	41,093	19,799
Tornado-windstorm ..	2,211	1,434

CONTINENTAL, N. Y.		
Fire	13,388,692	5,188,275
Tornado-windstorm ..	1,313,762	787,193
Sprinkler leakage ..	47,106	14,830
Riot and explosion ..	172,026	8,884
Earthquake	23,661	3,873
Hail	752,386	504,793
Motor vehicle	2,252,192	1,426,636
Ocean marine	721,691	491,680
Inland marine	723,725	250,310
Aircraft	7,225	7,002
Other lines, flood....	3,305	14,601

DUBUQUE F. & M.		
Fire	1,760,758	615,677
Tornado-windstorm ..	196,557	106,734
Sprinkler leakage ..	4,921	1,337
Riot and explosion ..	42,755	1,459
Earthquake	2,872	.....
Motor vehicle	986,676	471,327
Inland marine	114,563	42,591

EAGLE STAR		
Fire	1,202,130	609,349
Tornado-windstorm ..	90,083	54,899
Sprinkler leakage ..	3,405	1,119
Riot and explosion ..	17,742	7,313
Earthquake	2,478	.....
Motor vehicle	184,778	91,489
Ocean marine	406,625	270,168
Inland marine	64,752	31,927
Aircraft	940	443
Other lines—rain ..	8,109	2,917

Interstate of New Jersey has been licensed in Michigan. This is an adjunct of a finance company.

Philadelphia Society Has Brilliant Dinner

PHILADELPHIA — The Insurance Society of Philadelphia at its annual banquet heard the recently appointed insurance commissioner, M. H. Taggart, declare that the manner in which the insurance business had cleaned up any bad situations which may have existed by itself was a healthy condition.

He pointed out that the necessity for insurance has grown during the 12 years since he last served as commissioner; likewise the need for common sense. Insurance men during the depression, he contended, had been an inspiration to business and the public, steering their thoughts along sane lines of thinking.

Col. Taggart stated that he is not a czar but "merely inflicted on you by the laws of the state government. I won't hurt you but I will help you. Your problems are my problems. I am your friend and I want you to be my friend."

The educational work of the society and also of the Insurance Institute of America were touched on by J. W. Donahue, president of the society and resident vice-president Maryland Casualty, and L. E. Falls, vice-president American and president of the Insurance Institute of America.

Mr. Donahue said 302 students will take examinations this year at the Insurance Society of Philadelphia.

E. E. Lindner of the North America, general chairman, opened the speaking program.

T. I. Parkinson, president of Equitable Society, was the principal speaker. He gave a smashing attack upon the current SEC investigation of life insurance.

WANTED

Non-affiliated fire insurance company to write desirable auto finance insurance in Middle West.

ADDRESS J-65, NATIONAL UNDERWRITER

EDITORIAL COMMENT

Issue Over the Ohio Resignation

L. C. JONES of Youngstown, president Ohio Association of Insurance Agents, in his letter to Secretary W. H. BENNETT of the NATIONAL ASSOCIATION, withdrawing the Ohio body from the parent organization, brings up one point that will be the subject of much dispute. Mr. JONES charged the NATIONAL ASSOCIATION, in proposing to amend its constitution, "that you advocate upholding the principles of one type of insurance. The Ohio association endeavors to represent the agency viewpoint only without regard to what companies may be in the agents' offices. The National association is taking sides in a dissertation between different types of companies which places it in an untenable position as far as the majority of our members who have both types in their agencies are concerned."

In other words, President JONES feels that the basis of association membership should be representation of agency companies regardless of whether they are stock or mutual. The NATIONAL ASSOCIATION OF INSURANCE AGENTS as such does not establish a standard of representation for state membership although it is clearly shown that it is a stock company organization. Its strength is certainly in that direction.

In one sense Ohio is somewhat akin to the New England states insofar as representation of agency mutuals is concerned. It has an anti-separation law and, therefore, the companies are debarred from enforcing the agency clearance rule. Many years ago the old standard Ohio mutuals operating entirely on a local agency basis found a friendly attitude in local offices

all over their home state. At that time there was no particular objection to the mutuals. In fact, the managers of the mutuals were received into the field organizations and were held in high esteem.

In New England perhaps 85 percent or even more of the local agencies represent the old time New England agency mutuals but they are opposed to non-agency mutuals or non-agency companies of any kind. Therefore, the atmosphere in New England is quite favorable to mutual agency representation. At meetings of the NATIONAL ASSOCIATION OF INSURANCE AGENTS at times the New England people have very forcefully defended their cause and deplored any attack on the mutuals so far as the agency companies of New England are concerned.

In sections other than the New England states and Ohio the organized agents are very militantly arrayed against the mutuals. It can be said that the stock, fire and casualty companies, while they may be rather repressed in their expressions in Ohio and New England are almost all antagonistic to the mutuals. Owing to the sentiment in these sections it is impossible for the BUSINESS DEVELOPMENT OFFICE, for example, to carry on its work and show the results that it has elsewhere.

An attempt to force the agents in the New England states or Ohio to cast out the mutuals would meet with a rebellious attitude on the agents. They are perfectly willing to fight non-agency companies of any class. The Ohio letter, therefore, does bring into the arena an issue that has caused more or less embarrassment.

The Problem of Bristol, Tenn. and Va.

BRISTOL, VA., and BRISTOL, TENN., constitute a recurring problem to insurance. Just now somebody is making a fuss because the cost of automobile insurance in BRISTOL, TENN., is higher than in BRISTOL, VA. Some time ago VIRGINIA and TENNESSEE had to pass some complicated laws, so that agents in BRISTOL, VA., could sell insurance in BRISTOL, TENN., and vice versa. The only real solution, as we see it, is to turn the entire city of BRISTOL over to TENNESSEE or to VIRGINIA. State lines

should not be permitted to run through city streets, any more than railroad trains should be permitted to run in our streets. States should always be separated by mountains or by rivers or by a good stretch of farm land where nobody much lives. We propose that at the next meeting of the PAMUNKEY INDIANS Commissioner BOWLES of Va. and Commissioner McCORMACK of Tenn. roll a game of horses to see whether it shall be BRISTOL, Tenn., or BRISTOL, Va. BRISTOL, Tenn. and Va., is intolerable.

Do Not Handcuff Inland Marine

S. W. CAREY, III, vice-president APPLETON & Cox, New York City, in his talk at PITTSBURGH INSURANCE DAY, deplored the recent tendency to injure the flexibility of the inland marine business and to force the

writing of that business to set standards. If inland marine, like other lines, becomes strangled by so many rules and regulations and its underwriting tends to be "canned" it will lose that incentive to originality

that it now enjoys. The inland marine business has been noted for the remarkable strides that it has made not only in volume of premiums but in initiating coverages and meeting needs that heretofore were without proper protection. The inland marine insurance men should not be so circum-

scribed that initiative will be seriously dimmed and pioneering will stop. Many of our lines are now so restricted by underwriting rules that originality is almost entirely lost and judgment is seldom called for, so it is important that inland marine men should be encouraged.

Many Banks Inadequately Covered

INSURANCE men who are interested in the sale of fidelity insurance bonds can well take to heart some of the facts that Manager MARTIN W. LEWIS of the TOWNER RATING BUREAU gave to his hearers on PITTSBURGH INSURANCE DAY. One of the interesting points he brought out in his talk was the FEDERAL DEPOSIT INSURANCE CORPORATION discovers that one of its greatest exposures to loss is the inadequacy of dishonesty insurance of

banks. Its statistics show that 33 percent of the bank failures since the F. D. I. C. was constituted have been caused by inadequacy of fidelity bonds. The F. D. I. C., as Mr. LEWIS sees it, simply provides excess insurance. It is often brought out that banks are notoriously under insured. Mr. LEWIS' factual information can be successfully used in a sales talk. The surety companies and F.D.I.C. are working together constructively.

PERSONAL SIDE OF THE BUSINESS

J. J. Beall, vice-president Northwestern Mutual Fire, is on a tour of branches east of the Rocky Mountains, having conferred in Chicago and Columbus, O., last week. His itinerary also includes Raleigh, N. C., and New York City.

W. B. Rearden, vice-president at the head office of Firemen's, and Fred W. Sullivan, vice-president in the Pacific Coast department, are on a vacation trip to Honolulu. They are accompanied by Mrs. Rearden and Mrs. Sullivan.

C. Heath Bannard, manager western marine department of Providence Washington, who was stricken Jan. 3, is reported to be improving and expects to be back on the job in two months. He has been confined to his home in Winnetka, Ill. During his absence Frank Hempstead, former manager who retired last April, is serving.

James I. Reece, former Tennessee insurance commissioner, is in a Nashville hospital with a broken right leg and minor injuries due to an automobile accident. Mr. Reece recently completed a prison term for the alleged theft of \$100,000 in bonds from the insurance department.

Clifford A. Payne, a leader among Florida agents for many years, has been reelected president of the Jacksonville Salvation Army Advisory Board. He is a past president of the Florida Insurance Agents Association and served as National association executive committeeman.

Briggs A. Hoffmann, St. Louis, has been appointed a director of the Texas State Network, according to an announcement issued by Elliott Roosevelt, president of the system. Mr. Hoffmann is vice president and sales manager of Lawton-Byrne-Bruner Insurance Agency Company. He recently served as chairman of the public relations committee of the St. Louis Board.

E. W. Elwell, United States manager Royal Exchange, is on an agency trip through Florida.

Assistant Secretary R. S. Danforth, Millers National passed his 50th birthday Feb. 18, and was presented with a

fly rod and reel by his office associates. He is an ardent angler and through the years of pursuing his favorite sport has frequented most of the best fresh-water fishing grounds in the United States and Canada.

DEATHS

Frederick L. Beck, 46, manager of the premium budget department of the home office of the Glens Falls, died. He had been with the company nine years.

Judge H. R. Prewitt, 70, insurance commissioner of Kentucky about 30 years ago, died at his home at Mt. Sterling. For years he was a political leader in the state.

E. J. Ashwell, 70, president of E. J. Ashwell & Co., Jamestown, N. Y., died there following a long illness. The agency was established in 1912.

S. W. Tripp, who retired last May as general manager of Western Factory, died the other day at his home in Chicago after an illness of about two months. He was about 75 years of age. Funeral services were held Saturday.

Mr. Tripp was regarded as the foremost sprinklered risk underwriter in the middle west. He went with Western Factory in 1902 as special agent when W. E. Higbee was manager. The next year he became associate manager with Albert Blauvelt and then in 1918 he became sole manager when Mr. Blauvelt died. In 1925 Mr. Tripp assumed the title of general manager and gave up some of his active duties. However, he was called upon to resume his former operating pace in 1933 when Manager Randolph Buck died. On his 50th anniversary in the insurance business a few years ago he made a trip to California. Before going with Western Factory he was connected with a number of companies in field positions. He went to Western Factory from Girard F. & M., for which he was traveling in Michigan.

Howard P. Hare, prominent broker attached to the office of Critchell, Miller,



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Whitney & Barbour, Chicago, was a nephew of Mr. Tripp.

Harry E. Carpenter, Attleboro, Mass., 77, for some years secretary of the Attleboro Mutual Fire, died.

Thomas M. Mongan, 60, superintendent of the Milwaukee fire insurance patrol, died after a long illness. He joined the patrol in 1904 as a driver of horse-drawn apparatus.

B. A. Roberts, 80, Des Moines, Ia., died. He served with the old Western Automobile for 22 years.

C. T. Allstrand, 60, for 25 years a prominent agent in Greeley, Colo., dropped dead there from heart trouble. His son, C. T. Allstrand, Jr., will continue the agency.

George S. MacCurdy, 26, who has been associated with his father, George MacCurdy agent, Tulsa, Okla., fell from a third story balcony of his apartment, sustaining fatal injuries. George MacCurdy is a director for the Oklahoma Association of Insurers.

C. C. Hatcher, who was formerly a prominent agent in Atlanta, died at the age of 66 after an illness of several years. His agency, which was one of the largest in Atlanta was acquired some time ago by Dargan, Whittington & Conner.

Seton T. Hedges, Columbus, O., local agent, was married to Miss Fredericka Lohmeyer.

New Iowa Official

Charles R. Fischer has now taken office as insurance commissioner of Iowa succeeding M. V. Pew. Mr. Fischer was vacationing in Arizona at the time of his appointment. He has held several positions in the state government, including a period of service with the insurance department. He has been a director and secretary of Iowa Home Owners Mutual, but he has now resigned those connections.

R. F. Knudsen, Des Moines, has been appointed second deputy of the Iowa department by Commissioner Fischer. He takes the place vacated by John Seidel. Mr. Knudsen, a public accountant, formerly served with Mr. Fischer when the latter was state securities commissioner.



C. R. Fischer

Fire Hazards in Ventilating, Air Conditioning Systems

Automatic fire control for air conditioning and ventilating systems is discussed in a pamphlet published by the American District Telegraph Company. Air conditioning and ventilating created a set of new and serious fire hazards which frequently imperil or entirely nullify the effectiveness of protective measures which were previously adequate.

Among the common hazards listed by the bulletin are: (1) The fresh air intake, through which sparks, flames, gases and smoke may be drawn in; (2) the mechanical filters, through which air is forced to remove lint, dust, etc., and which are often made of combustible materials and usually coated with a film of oil to cause foreign matter in the air to adhere more readily; (3) circulation ducts, which are said to have four separate hazards; duct lining, combustible matter taken in by the ducts, forced draft hazards, and high velocity air currents which hamper the effectiveness of fire stops, and (4) human failure. Employees may tamper with the system by removing filters,

opening air duct dampers or nullifying various factors of safety through irresponsible alterations. Also air conditioning control rooms may become filled with smoke or flames so quickly that operators cannot stop to shut down air conditioning systems. Usually stoppage of the machinery will not prevent the ventilating ducts from acting as agents to carry fire and smoke throughout the premises.

A.D.T. is said to meet the hazard by equipment which does the following: (1) Instantly and automatically detects any fire or smoke originating within the air conditioning equipment or drawn to the system from the outside; (2) automatically closes the dampers; (3) automatically gives notification of abnormal conditions to engineers or other proper persons on the premises; (4) automatically closes fire doors; (5) automatically reports conditions to A.D.T. central station to insure immediate corrective action; (6) automatically insures prompt notification of fire department.

C. L. Ditto has purchased a half interest in the Creger Agency, Winterset, Ia. It will now operate as Creger & Ditto.

INSURANCE SERVICES & EQUIPMENT | DIRECTORY |

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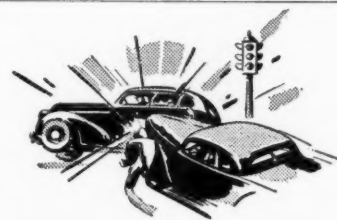
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He Helps You 3 Ways!

Your Agent or Broker is an insurance expert. First, he checks over your individual insurance needs carefully, prescribes coverage *without* over-sights. He uses his expert knowledge to protect you from the risk of costly, uninsured losses.

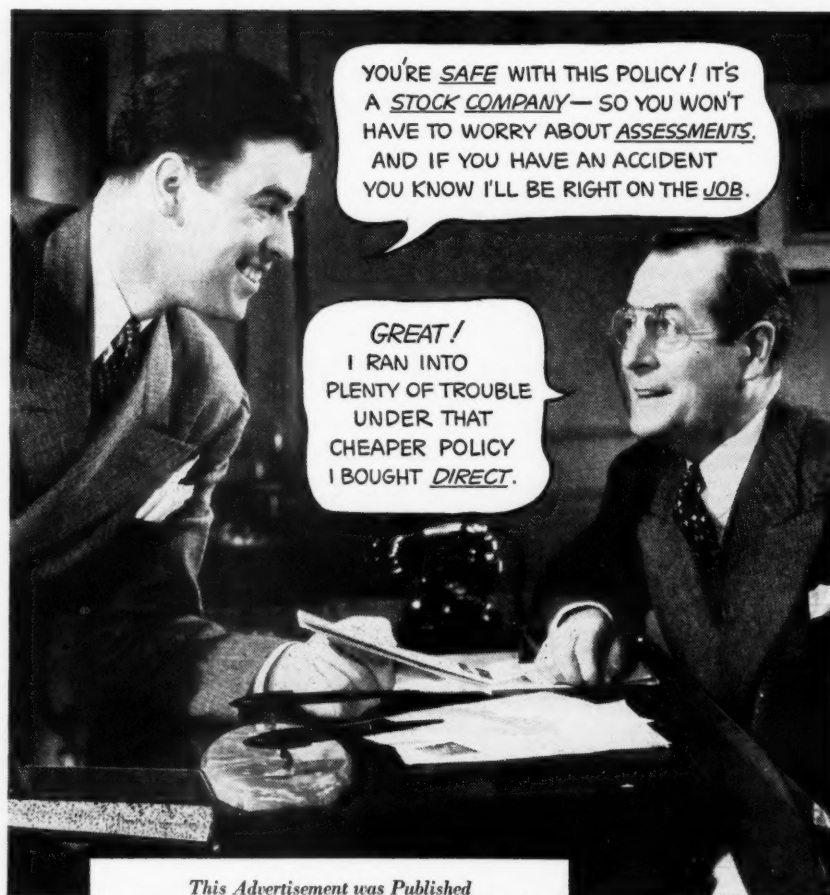
Second, he can offer you Stock Company insurance with a time-tested record of safety. Stock Company insurance gives you guaranteed protection at a *known cost*, without possibility of "assessments." With ample reserves of stockholders' money to assure payment of losses.

Third, and especially important—your Agent or Broker is your *representative* when accident strikes. He works *in your interest*. By law and by custom, he is *your agent*. He is available at all times, able and anxious to relieve you of troublesome details when accidents occur.

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And here is a note of warning! Don't expect this personal care, this extra protection, if you "deal direct" with an insurance company. You may get "just a policy," without the personalized coverage you need to protect you from possible losses.

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The NATIONAL UNDERWRITER

February 23, 1939

CASUALTY AND SURETY SECTION

Page Twenty-three

Sentiment in Ohio As to State Body's Recent Secession

Some of the Incidents That Have Caused Considerable Feeling

COLUMBUS, OHIO.—Although the more conservative members of the Ohio Association of Insurance Agents are inclined to regard the action of their trustees as precipitate in withdrawing from the National association, the judgment of the trustees would probably be upheld in a vote by the membership. Withdrawal of the Ohio association means that it will cease to act as collector of dues for the National association from its coextensive membership. Individual members are free to exercise their judgment as such on the question as to whether they wish to remain members of the national group.

Friction Developed in 1933

Friction between the Ohio and National associations has been present ever since the reorganization of the state group in 1933. The old Ohio agents' group owed the National association about \$6,500, which the latter wished to collect from the new organization. The new state association did not feel it was responsible for the debts of the previous organization, but the claim was finally compromised and a substantial amount paid. The attitude in Ohio toward the National association among a number of influential members is that the inner circle of the national group has ceased to be a representative body of the membership as a whole and has tended to become a self-perpetuating organization. There is some sentiment that the acceptance of advertising from companies in the "American Agency Bulletin" may tend to cause national headquarters to be swayed by the company point of view.

Action Deemed Ill Advised

Action of the National association last year in sending a representative to the state meeting who appealed to members to override the action of its trustees was regarded as ill advised.

Involved in the problem is also the question of states' rights. Ohio agents do not look with favor upon a centralization of authority and wish a strong state association, the national organization serving as a coordinator of state association activity rather than the national group taking the lead and endeavoring to impose its views on the state groups.

Agents in the state regret the misunderstanding which has arisen between their state and national organizations, but it is felt that the resignation has brought matters to a head and it is hoped that the divergent points of view may be reconciled.

Lloyds Attorneys Reply to Suit

Answer Sets Forth Reasons for Not Paying Bank Holdup Claim

Answer to the subrogation proceedings instituted in the name of the First National Bank of Ottawa against London Lloyds for payment of a \$60,000 holdup claim has been filed by Winston, Strawn & Shaw, Chicago attorneys.

While the answer admits that the holdup took place and that due notice was given Lloyds by the Ottawa bank, it sets forth that Lloyds has not paid the claim because it is without knowledge sufficient to determine whether or not the bank complied with the terms of its policy. It also states the following:

- (1) That the Ottawa bank did not sustain a loss under terms of the policy.
- (2) That the Ottawa bank is not the real party in interest.

Paid Federal Reserve Bank

(3) That the Federal Reserve Bank of Chicago duly made claim upon the registered mail insurance companies for the \$60,000 lost in the holdup and received payment of this amount in settlement of the loss and credited the account of the plaintiff with the identical amount charged against it when the shipment was made, therefore acknowledging liability to the plaintiff.

(4) That immediately after the holdup the Ottawa bank disclaimed any liability for the loss and made demands upon the Federal Reserve Bank of Chicago to withdraw any and all charges respecting the money made upon its books. In doing so it is alleged the Federal Reserve Bank assumed full liability for the loss of the currency and consequently no loss was suffered by the Ottawa bank.

(5) Since the Federal Reserve Bank insured the money for the benefit of the Ottawa bank, since the plaintiff notified the Federal Reserve Bank and the registered mail insurance companies representatives, and since \$60,000 was paid to the Ottawa bank by the insurance companies (according to the statement set forth in the answer), all rights, title and interest in the loss are vested in the registered mail insurance companies and not in the plaintiff, the Ottawa bank.

Joseph Futz Files Official Protest

EIGHTY FOUR, PA.—Joseph Futz, leading fire, accident, automobile and marine underwriter, has filed official protest with Charles Heintz Bokman, head of Pittsburgh Insurance Day, because Joseph's name did not appear in the list of distinguished guests. "I attended," said Underwriter Futz, "especially to contact Hon. Comr. Taggart because I wield great political power in Eighty Four. What does Hon. Taggart care for pompous foreigners? He wants the support of underwriters close to Pennsylvania grass roots. Hon. Taggart is the man of the hour. I demand recognition in conventions of this kind."

Alfred M. Best on SEC Investigation

Tells About Interview He Had with T. C. Blaisdell on the Probe

Alfred M. Best of New York City, in his talk before the Ohio Farmers meeting stated that he made his bow in insurance 47 years ago when the business was small compared to what it is today. He said that insurance now is surrounded by critics. He referred to the SEC investigation at Washington as an outcropping of what is in the public mind. Shortly after the so-called monopoly committee was appointed, T. C. Blaisdell, director of inquiry for the SEC, visited Mr. Best to ascertain his views on insurance. Mr. Blaisdell said that the process was not to be a witch burning affair but was to be a thorough and unprejudiced inquiry into life insurance, not only the investment phases but the operating ones as well. Mr. Best then asked him if it was the intention after finishing with life insurance to go further and take up fire and casualty. Mr. Blaisdell replied that while this was not definitely settled it was almost certain that it would be done.

Mr. Best's Comment

Mr. Best told him that if the committee made a thorough and fair investigation it would find that life insurance is conducted very economically, that the assets were selected with great skill with regard solely to security, that the policyholders are very well treated when it comes to distribution of dividends and that in general the conditions which were revealed by the Armstrong committee in 1906 had been entirely remedied. Mr. Best said there is really very little about the business which was fairly open to criticism. He further said that the committee could not find anywhere a more honorable and more able group of men than the officials that administer the insurance companies of all classes.

istered mail insurance companies and not in the plaintiff, the Ottawa bank.

(6) The plaintiff has been reimbursed by the insurance companies for any loss it has sustained. If plaintiff were to recover from Lloyds the bank would be unjustly enriched.

(7) That the risk of the loss and the loss itself falls on the Federal Reserve Bank and not the plaintiff because the bank assumed the responsibility of delivering to the Ottawa Bank and its officers the sum of \$60,000.

(8) It is believed that the registered mail insurance carried by the Federal Reserve Bank is other insurance carried by the Ottawa bank.

It was brought out in the answer that the American companies interested in the subrogation proceedings are the Franklin Fire, Aetna Fire, Federal Insurance Corporation, New Hampshire Fire, National Fire and Pearl. They have insured the Federal Reserve Bank and its branches for amounts totaling \$15,000,000 against loss of all shipments made by registered mail.

As can be seen, the answer while ad-

(CONTINUED ON LAST PAGE)

Three Officials Go Before SEC in Its Life Insurance Probe

Wilfred Kurth, C. D. Hilles and Hendon Chubb Summoned by Committee

WASHINGTON—Three prominent fire and casualty executives were called as witnesses before the monopoly committee hearings on life insurance with a view to throwing light on corporate interrelationships. They were Wilfred Kurth, chairman of the Home group; Charles D. Hilles, resident manager Employers Liability for New York state; and Hendon Chubb, partner in Chubb & Son.

Mr. Kurth was clearly enjoying himself. Either he was amused at the sight of the SEC mountain bringing forth a mouse or else he was just feeling in a jovial mood. He told frankly and in detail how his company, after trying to get business through its local agents, turns to its directors and gets them to use their influence with other corporations with which they are connected. He said the system worked fine and he was sorry to tip competitors off to its value. However, Mr. Kurth's was no mine of information for the SEC in its effort to determine whether life insurance directors make profitable use of their positions. Mr. Kurth said with open regret that the three Home directors who are members of the Metropolitan Life and New York Life boards had been of no use whatever in getting business from those connections.

Examiner Makes No Headway

Mr. Hilles, as a New York Life director, was questioned about the business which his company does with the New York Life. However, the SEC's examiner, Gerhard Gesell made no headway with his insinuations. It was brought out that the New York Life was doing business with the Employers Liability before Mr. Hilles went on its board and though there had been a great increase in business since that time it was obviously due to liability coverages on foreclosed properties. Mr. Hilles pointed out that because there must be a master policy under which the company is covered even before the home office knows it is actually in possession of a property, the coverage cannot very well be distributed around among several carriers.

Chubb Denies Soliciting

Mr. Chubb, a director of the Prudential, was questioned on the fire and casualty business his companies obtain from the Prudential. He denied making any solicitation for business and observed that the Prudential might have liked to do business with his companies because they had confidence in the quality of management.

Advanced in Rank by Hartford Accident



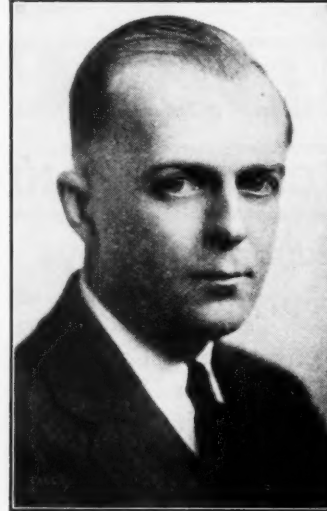
EDMUND G. ARMSTRONG

Edmund G. Armstrong now has the rank of vice-president in Hartford Accident. He has been secretary since 1936 and he has been with the Hartford Accident since 1917.



FRANK C. McVICAR

Frank C. McVicar, heretofore assistant secretary, has been advanced to the rank of secretary. He has been at the head office since 1936, formerly having been located in Chicago.



A. W. SPAULDING

A. W. Spaulding also advances from assistant secretary to secretary. Since 1934 he has been associate manager of the agency department and has been in charge of publicity as well.

New Bank Security Policy Issued by Employers Group

Employers Group has issued a new bank securities policy designed to indemnify insured for all loss, destruction or damage of securities owned by the insured or held by him as bailee in trust, for safekeeping as collateral for indebtedness to the insured, or in any capacity that would render him liable to the owner thereof for such loss in excess of \$25,000.

The only exclusions of the policy are losses which would be covered under a fidelity bond or voluntary surrendering of a security. There is no liability except for securities which are kept in burglar proof safes or vaults when the premises are not open for business. There is also no liability for loss resulting from war, insurrection, riot, civil commotion, military usurpation of power, etc.

This new policy is the only one of its kind which has been written so far. It has as primary insurance windstorm, cyclone, earthquake and other similar disturbances of nature which are not generally covered by bankers blanket bond protection. The rates for this policy are lower than for straight burglary and robbery coverage in most cases. During the few weeks that the policy has been in effect sales have been exceptionally good. It is usually written in connection with form 2, 8 and 22. It can be written on a three year basis at two and one-half times the annual premium.

Malpractice Policy Up

The Oklahoma state insurance board gave a hearing this week on the malpractice policy being issued through the medical association by the Houston Fire & Casualty. It is claimed that a Houston company has filed a form of policy at a rate substantially lower than other companies writing this class. It is stated that 95 percent of the liability is assumed by reinsurance in London Lloyds.

The offices of the American Automobile of St. Louis at Minneapolis under Manager R. S. Chaloner have recently been enlarged for the second time to take care of increasing business. Mr. Chaloner was formerly assistant manager of the Chicago office.

Agents Casualty School Is Being Opened by Travelers

A casualty agents school will start April 3 in the Travelers home office. H. A. Giddings, vice-president in charge of casualty production, in a letter to managers and general agents stated that success of the home office training school for commission agents in the life, accident, and group department has been such, and demand for a similar casualty school, led the company to take this action. The course will be in addition to the present correspondence courses for casualty agents and home office classes conducted to train field assistants.

The new classes will run four weeks, conducted under supervision of J. H. Eglof, supervisor agency field service, casualty lines. He, with H. D. Sherwood, assistant supervisor, will continue in charge of the periodical 12 weeks' course for casualty field assistants. C. E. Blake, assistant supervisor, will assist Mr. Eglof in the new course. Mr. Blake formerly was a public school principal and an instructor in the Travelers' casualty field assistants' classes. He also has had experience in leading branch offices.

Admission to the classes will be conditioned on the student expecting to continue permanently in the casualty business and meeting entrance requirements. Students will pay their own transportation expenses to and from Hartford and living expenses while there; the company will bear cost of instruction and materials.

Southern Safety Conference

JACKSON, MISS.—At the conclusion of a two-day meeting here of representatives of various safety groups in the southern states, a permanent organization was formed to be known as the Southern Safety Conference, to be affiliated with the National Safety Congress.

Employers Mutual Conference

WAUSAU, WIS.—About 20 branch managers and district underwriters of the Employers Mutuals met at the home office to confer with company officials on sales plans and underwriting problems. President H. G. Hagge was general chairman. Branch managers will hold similar meetings of their salesmen.

Cut P. L. and P. D. Rates for Construction Operations

The National Bureau of Casualty & Surety Underwriters announces revision of rates for owners and contractors protective liability insurance for construction operations.

The revisions represent substantial country-wide reductions in rates for property damage and for public liability for the entire country except New York state. Minimum premiums for property damage coverages are reduced.

The country-wide rates for property damage are reduced 50 percent, while the minimum premiums are reduced by 25 percent. On public liability the changes involve graduated rate reductions according to the size of the risk. The reductions on owners protective public liability coverage begin at 16 2/3 percent and increase in amount with the size of the project. For instance, the reduction in rate for a \$10,000,000 project is 43 1/2 percent. On contractors protective public liability the smallest reduction is 20 percent and rises with the size of the insured project, the reduction being 45 1/2 percent for a \$10,000,000 project.

To Examine Travelers Mutual

JEFFERSON CITY, MO.—A. P. Hood of St. Louis, an examiner for the Missouri department, will represent the department in the proposed convention examination of the Travelers Mutual Casualty of Des Moines. The convention examination is the result of a request for an investigation made by Commissioner Lucas following developments in regard to the insurance relations of the Des Moines company with the United Service Car Company and Taxi Owners' Association, of St. Louis. Kansas, Missouri, and Iowa will participate in the examination which is expected to take about a month.

Extensive Claim Library in N. Y.

NEW YORK.—The New York Insurance Society has spent several hundred dollars recently in the purchase of books concerning the handling of casualty losses. The new titles, plus those already on hand, make the library most valuable to those interested in casualty claim work.

T. W. Harvey, 47, Kansas City, Kan., agent, died.

Insurance Men on N. Y. Safety Program

Numerous insurance men are scheduled on the program of the convention of the Greater New York Safety Council March 27-29. Harold Hyer, an independent adjuster and insurance director of the New York World's Fair, will have charge of the session on "Facts about Accidents," the afternoon of March 27. T. Y. Beams, vice-president of Eagle, Royal and Globe Indemnity, will speak on "Accident Costs."

R. C. Lydon, Travelers, will speak on "Safety from an Insurance Standpoint" at the elevator clinic that same afternoon. C. R. Sypher, Liberty Mutual, will address the mercantile division meeting.

S. D. McComb, head of the Marine Office of America and president of the National Fire Protection Association, will be in charge of the fire prevention program the morning of March 28. Speakers will include R. E. Maginnis, American District Telegraph Company; A. Brown, factory mutuals, and Mr. Hyer.

H. L. Hilton, Travelers, will speak at the commercial vehicle section that same morning on "What to Teach the Driver."

At a session on the same morning dealing with high schools, E. L. Yordan and K. N. Beadle, both of the National Conservation Bureau, will speak.

At the small plant section that afternoon talks will be given by P. B. Reimold, Liberty Mutual, and D. L. Harnett, Travelers.

G. D. Bragdon, General Accident, will preside at the session on pressure vessels March 29. Speakers include J. P. Morrison, Hartford Steam Boiler; A. J. Loppin, Fidelity & Casualty; C. L. Keene, Ocean Accident.

Wallace Falvey, vice-president Massachusetts Bonding and chairman of the advisory committee of the National Conservation Bureau, will preside at the streets and highways session March 29.

A. F. Fuller, Century Indemnity, will serve as chairman of the section dealing with handling materials. W. S. Paine, Aetna Life companies, will participate in that section.

Effects Settlement with Mortgagor

The Premium Finance Company which was organized by officers and employees of Iowa Mutual Liability has effected a settlement with Mrs. M. Pearl Walker of Oskaloosa, Ia., who sought recovery in connection with a disputed transaction. She contended that a deed which she executed to the finance company was a mortgage to secure a loan from the finance company and that the finance company had wrongfully sold a portion of the 300 acres that was deeded. The finance company took the position that the deed was an absolute sale. The agreement provides that the finance company shall pay Mrs. Walker \$1,500 in cash, pay interest and taxes on certain real estate and deed to Mrs. Walker 153 acres of land located in Prairie township.

The Premium Finance Company took over from Iowa Mutual Liability the mortgage on the Walker property. The disposition made of the property by the mortgagor led to the litigation.

Committee Chairmen Named

NEW YORK.—Secretary F. S. Perryman of the Royal Indemnity, president of the Casualty Actuarial Society, has made the following committee appointments:

Admissions, T. F. Tarbell, Travelers, chairman; examinations, N. M. Valerius, Aetna Casualty & Surety, chairman; papers, S. D. Pinney, Travelers, chairman; educational, C. A. Kulp, University of Pennsylvania, chairman; auditing, W. P. Comstock, London Guarantee & Accident, chairman; editorial, C. W. Hobbs, National Council on Compensation Insurance, chairman.

State Farm Group Reports Good Year

Embarks on 5-year Plan of Expansion, Auto Company Eliminates Contingent

With an excellent increase reported in volume of business for 1938, more than 2,000 agents of the Illinois State Farm Insurance Company in their annual meeting in Chicago enthusiastically subscribed to securing "A Million or More" automobile policyholders "by '44." Approximately 600,000 such policies are now in force.

Coincident with this action came the announcements that the State Farm Mutual Automobile was eliminating contingent liability of policyholders and embarking upon a program cooperating with local banks in the field of automobile purchase financing.

All three companies intend to push farther into the metropolitan field and to drive for the placing of more full time agents on the companies' roll.

Rust Gives Annual Report

A. H. Rust, executive vice-president, gave the annual report, which was well received by the convention, which incidentally was the largest gathering to ever attend an annual meeting of the State Farm group in the 17 years of its existence.

Income of the Automobile Mutual increased from \$12,692,080 in 1937 to \$14,180,072 in 1938. Assets were \$15,702,434 as compared with \$13,463,187, an increase of 16 percent for 1938. Unearned premium was \$4,236,817 as compared to \$3,912,280. The contingent reserve increased \$250,000 during 1938 and is now \$2,250,000. Surplus is \$4,270,244, an increase of \$893,000.

The State Farm Fire has assets of \$668,141 and a surplus of \$424,484, a gain of approximately \$60,000.

In the State Farm Life business in force increased from \$47,847,342 to \$55,040,597. Assets increased to \$3,121,295 from \$2,446,799. Surplus over all reserves increased more than \$40,000 to \$570,473.

Has Good Surplus

In announcing the elimination of the contingent liability for policyholders, R. P. Mecherle, president State Farm Mutual Automobile, brought out that the company has 14 times its minimum surplus required to issue non-assessable policies as required by the Illinois insurance code.

On the second day G. J. Mecherle, chairman of the board, announced that the company would expand to the metropolitan field. At the present time 80 percent of the State Farm group business is done in rural territory. Two years ago this figure was 90 percent. With "A Million or More by '44" as his theme he outlined plans for appointing new agents in metropolitan centers, district and special agents in other than metropolitan centers and the securing of more full time agents.

Included in the program were the establishment of more company offices in large cities, reorganization of territory and the establishment of a revolving fund for agency activity.

Holcombe, Schwinn Are Guest Speakers

Two hearty, inspirational addresses well received by the convention attendees were those given by J. M. Holcombe, Jr., manager Life Insurance Sales Research Bureau, and M. F. Schwinn, Northwestern Mutual Life.

Entertainment features were provided by the Parade of the States, which was reminiscent of national political conventions with all their attendant fanfare and hilarity, and the agents banquet the first night.

Roy L. Davis, assistant director Illinois insurance department, attended the

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago at close of business Feb. 20th, 1939

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	107	110
Aetna Fire	10	1.60	46	48
Aetna Life	10	1.35*	29	30
Agricultural	25	3.25*	73	77
Amer. Alliance... 10	1.20*		22½	24
Amer. Equitable. 5	1.00		25	26
Amer. Home.... 10	...		7	8
American (N. J.) 2.50	.60*		13½	14½
Amer. Surety ... 25	2.50		55	56
Automobile 10	1.30*		32	34
Balt. Amer. 2.50	.30*		6½	7¼
Bankers & Ship. 25	5.00		96	98
Boston 100	21.00		595	610
Camden Fire ... 5	1.00		20½	21½
Carolina 10	1.30		26	27½
Contl. Cas. 5	1.60*		33	35
Contl. N. Y. 2.50	1.80*		34½	35½
Crum & Forster				
Com. 10	1.00		25	27
Employers Rein. 10	1.60		50	52
Fidelity & Dep. 20	2.00		122	125
Fidelity-Phen. .. 2.50	1.80*		34	35
Fire Assn. 10	2.50*		58	60
Firemen's (N. J.) 5	.30		9½	10¼
Franklin 5	1.40*		29	31
Gen. Reinsur. ... 5	2.00		41	43
Glens Falls 5	1.60		40	43
Globe & Repub. 5	.50		12½	13¼
Gt. Am. Fire.... 5	1.20*		25½	26½
Gt. Amer. Ind. ... 1	.20		9¼	10¼
Halifax Fire ... 10	1.00*		23	25
Hanover Fire ... 10	1.60		30	32
Hartford Fire... 10	2.00		75	77
Hartford St. Boil. 10	1.60		55	57
Home Fire Sec. 10	...		31	32½
Home Ins. (N.Y.) 5	1.60*		31	32
Home Indem. ... 3	...		10	...
Ins. Co. of N. A. 10	2.50*		65	67
Lincoln Fire ... 5	...		2	3
Maryland Cas. ... 1	...		3½	4½
Mass. Bonding. 12.50	3.50		59	61
Merch. com.(N.Y.) 5	1.70*		46	50
Natl. Cas. 10	1.20*		28	30
Natl. Fire 10	2.00		60	62
Natl. Liberty ... 2	.40*		7½	7¾
Natl. Union 20	5.00*		120	125
New Am. Cas. ... 2	.65		13	14
New Hampshire 10	1.80		45½	47
Northern (N. Y.) 12.50	5.00*		95	98
North River 2.50	1.20*		26½	28
N. W. Natl. 25	5.75*		126	130
Phoenix, Conn. 10	2.50*		78	80
Preferred Accl. ... 5	1.00*		20	21
Prov. Wash. 10	1.40*		33	35
Republic, Tex. ... 10	1.20		25½	27
Rossia 5	...		4½	5
St. Paul F. & M. 25	8.00		224	229
Security, Conn. 10	1.40		30	32
Spraggs, F. & M. 25	4.75*		119	123
Travelers 100	16.00		450	465
U. S. Fire 4	2.00		51	53
U. S. F. & G. ... 2	.25		21	23
Westchester Fire 2.50	1.60*		34	36

*Includes extra. **Canadian funds.

banquet and spoke. He pointed out that the country is more insurance-minded than ever before and that the insurance market is far from saturated. He said that there is plenty of opportunity in all fields of insurance for aggressive agents.

G. J. Mecherle, "the chief" and chairman of the board, proved to be a genial but versatile performer for the overflow crowd which jammed into the grand ballroom for the evening get-together Monday night.

As in the past, the Stevens Hotel provided a fine meeting place, the large crowd being handled well and the service being excellent.

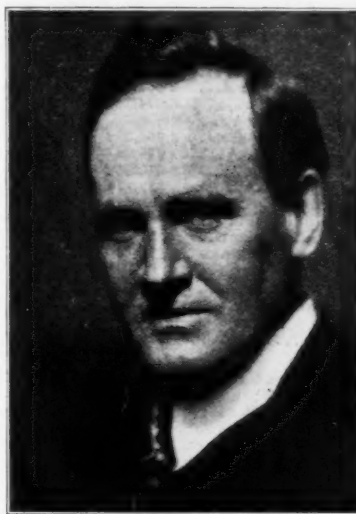
A symposium on "State Farm Selling," which was led by state directors, was held the afternoon of the second day.

On Wednesday following the convention a conference of state, district and special agents was held.

Buffinton Elected Head of Massachusetts Federation

BOSTON—A. T. Buffinton, of J. N. Buffinton & Co., Fall River, was elected president at the annual meeting of the Insurance Federation of Massachusetts, and Mrs. Mary A. Blackburn was elected secretary-treasurer for her ninth term. Vice-presidents elected were H. W. Bates and R. H. Bullock, Worcester; F. C. Church, Jr., J. J. Cornish, T. R. P. Gibb, Jesse Harding, Gerald Henderson, R. A. Hogsett, H. E. Moore, L. W. Moore, J. P. Parker, T. S. Prouty, H. A. Sawyer and R. A. Sullivan, Boston; E. J. Cole, Fall River; H. A. Field and H. R. Preston, Springfield; H. A. Gallup, North Adams; J. H. Leighton, Lowell; H. G. Noble, Westfield; J. G. Page and N. H. Seldon, Haverhill; W. S. Shaw, Brockton; G. L.

Veteran Feted



ALBERT W. WHITNEY

A. W. Whitney has completed 25 years of service with the Association of Casualty & Surety Executives and its predecessors. Upon his return to New York from a visit to California, he found upon his desk bouquets of flowers and he received many congratulatory messages. He is consulting director of the National Conservation Bureau of the executives' association.

With ceremonies a gold watch was presented to Mr. Whitney. Julien H. Harvey, managing director National Conservation Bureau, presided. William Leslie, general manager National Bureau of Casualty & Surety Underwriters, recalled in the course of a talk that he was one of Mr. Whitney's students at the University of California. Others who spoke were Claude W. Fairchild, general manager of the executives association; E. J. Bond, Jr., president Maryland Casualty; Ray Murphy, assistant general manager executives association; E. E. Robinson, secretary National Bureau, and E. A. Bantel, office manager National Bureau.

Find Friends in Work

"I have always believed that the place a person works should be also the place of his warmest friendships," Mr. Whitney said in response.

After serving as actuary of the California Industrial Accident Board, Mr. Whitney went east as actuary of the Merritt committee and later was associate actuary of the New York insurance department. In 1913 he became general manager of the Workmen's Compensation Service Bureau. When the National Bureau of Casualty & Surety Underwriters was established he was made its general manager and served in that capacity until 1921. Later he was made associate manager so that he might devote most of his time to accident prevention.

From 1926-1930, Mr. Whitney again was called upon to serve as acting general manager of the bureau, returning later to his work in accident prevention. When safety activities of the companies were combined under the National Conservation Bureau he was made consulting director.

Taylor, Great Barrington, and G. A. Underwood, Gardner.

Lieutenant Governor Cahill spoke on the state financial condition and budgets. J. Lawton Whitlock, manager Century Indemnity, presided. Commissioner Harrington spoke for the insurance department and Counsel John W. Downs discussed the insurance legislation measures pending.

James G. Beck, 68, Chestertown, Md., agent, died.

Another Chicago Subway Bond Is Now Completed

Continental Casualty secured the construction and performance bond on the section of the Chicago PWA subway for which Michael Pontarelli & Sons of Chicago is the contractor. The contract price is \$1,874,320 and the bond premium is \$28,114. Penn Carolan is the broker and it was placed through P. O. Olstad, Chicago surety manager Continental Casualty.

Standard Accident is co-surety for 25 percent, the remainder being reinsured in a number of companies.

John Marsch, Inc., was the low bidder on the fourth section of the Chicago-PWA subway. His bid was \$2,094,766.

Carl F. Farbach, general counsel for the Federal Emergency Administration of Public Works regarding an article in the "Insurance Exchange Magazine" which refers to the grant agreement between the Public Works Administration and the City of Chicago in connection with the construction of the subway:

The following is quoted from page 36 of the January issue of the magazine:

City's Liability Discussed

"There is another interesting angle in the subway project—the question of the city's liability. On the face, a municipality has no liability for damages done in public improvements, since the city government is elected by the people, who in theory cannot sue themselves nor be liable to themselves. However, the PWA grant made by Harold L. Ickes, secretary of the interior, seems to admit the city's liability. Provision is made for an annual appropriation to a fund out of which to pay damage to property owners. The city could, of course, buy liability insurance to cover this hazard, but appears to have decided to self-insure."

Mr. Farbach states:

"The fact that our grant agreement contained a provision to the effect that the City of Chicago should satisfy the administrator that any liability to property owners along the right-of-way for damages, resulting from, or claimed to result from, the construction of the project, would be paid from moneys other than those in the construction account, does not constitute, in any sense, a determination on our part that the City is liable. The sole purpose of the provision is a precautionary one, namely, to assure us that, if there is any liability, the obligations of the city in respect thereof will be met without diminishing the funds necessary to complete the construction of the project."

The "Insurance Exchange Magazine" is published by THE NATIONAL UNDERWRITER.

Compulsory Legislation Is Discussed in Massachusetts

BOSTON.—Six bills which called for consolidation of the business of handling compulsory automobile liability insurance with the office of the registrar of motor vehicles, three merit rating bills, one demerit rating bill and one experience rating bill were discussed before the Massachusetts legislative committee on insurance.

The consolidation bills for the most part call for a state fund plan with a flat license-registration fee. In backing such a bill, Representative Woelke figured a flat rate of \$18 for all passenger cars would meet all claims and costs.

In considering the relative merits of merit and demerit rating it was brought out that inasmuch as 10 percent of the motorists caused the accidents it would be easier to apply demerit charges to the bad drivers than to allow a merit credit to 90 percent of the good drivers.

The house killed 17 bills calling for a flat automobile liability insurance rate.

Casualty Company 1938 Experience

American Reinsurance, N. Y.—Assets, \$13,751,516; inc., \$1,871,740; unearned prem., \$1,194,528; loss res., \$4,574,742; liab. res., \$1,922,507; comp. res., \$2,081,749; capital, \$2,000,000; surplus, \$4,547,338; inc., \$1,518,575. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 8,338	\$ 1,419
Health	176	1,423
Auto liability	893,207	340,905
Other liability	239,050	141,565
Workmen's comp.	758,380	49,292
Fidelity	346,922	143,223
Surety	497,363	83,078
Burglary and theft.	114,336	37,276
Steam boiler	3,025	2,657
Engine and mach.	11,865	11,153
Auto prop. damage.	58,359	25,440
Auto collision	373	.....
Other P. D. and coll.	30,574	3,123

Total\$2,961,974 \$ 840,559

Central Mut. Co., Mo.—Assets, \$174,508; inc., \$25,534; unearned prem., \$80,011; loss res., \$9,495; liab. res., \$19,844; surplus, \$53,925; inc., \$467. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 117,389	\$ 61,938
Plate glass	15,379	9,779
Auto prop. damage.	36,581	18,742
Auto collision	21,007	9,655
Other auto	46,209	19,686

Total\$ 236,565 \$ 119,800

Central Surety—Assets, \$7,209,313; inc., \$956,878; unearned prem., \$1,788,958; loss res., \$282,219; liab. res., \$1,416,954; comp. res., \$408,789; capital, \$1,000,000; surplus, \$1,592,153; inc., \$335,739. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 16,012	\$ 5,194
Health	605	.....
Auto liability	1,927,876	870,334
Other liability	302,290	64,947
Workmen's comp.	882,037	428,134
Fidelity	119,859	29,743
Surety	377,460	868
Plate glass	146,221	61,491
Burglary and theft.	102,605	17,567
Auto prop. damage.	490,104	186,582
Auto collision	15,517	8,597
Other P. D. and coll.	20,716	2,576

Total\$4,401,302 \$1,676,033

Chicago Ice Producers Mut. Liab., Ill.—Assets, \$406,256; dec., \$4,334; unearned prem., \$10,738; loss res., \$1,492; liab. res., \$1,150; comp. res., \$33,818; surplus, \$335,269; inc., \$19,493. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 27,103	\$ 16,727
Other liability	3,985	1,240
Workmen's comp.	54,622	22,120
Auto prop. damage.	10,353	4,230
Auto collision	840	494
Other auto	3,415	455

Total\$ 100,318 \$ 45,266

Citizens Cas., N. Y.—Assets, \$926,524; inc., \$102,356; unearned prem., \$39,442; loss res., \$11,670; liab. res., \$320,511; capital, \$300,000; surplus, \$230,768; inc., \$45,118. Experience:

	Net Prem.	Losses Pd.
N. Y. C. statutory.	\$ 370,456	\$ 195,732
Auto liability	320,431	108,896
Other liability .....	.....	1,055
Auto prop. damage.	68,573	18,859

Total\$ 759,460 \$ 324,542

Columbia Cas., N. Y.—Assets, \$7,589,751; inc., \$509,633; unearned prem., \$2,222,072; loss res., \$385,192; liab. res., \$689,595; comp. res., \$609,047; capital, \$1,000,000; surplus, \$2,889,886; inc., \$298,156. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 95,430	\$ 26,731
Health	12,295	8,470
Auto liability	409,930	151,518
Other liability	382,152	77,786
Workmen's comp.	361,879	188,096
Fidelity	189,006	131,930
Surety	197,430	15,378
Plate glass	59,663	23,793
Burglary and theft.	135,454	31,756
Steam boiler	151,400	7,790
Engine and mach.	297,774	12,066
Auto prop. damage.	123,123	46,682
Auto collision	4,916	1,952
Other P. D. and coll.	27,966	3,855

Total\$2,448,419 \$ 627,804

Continental Cas.—Assets, \$34,052,618; inc., \$3,478,717; unearned prem., \$7,706,629; loss res., \$5,850,759; liab. res., \$4,077,744; comp. res., \$3,030,868; non-can A&H res., \$1,405,755; capital, \$1,750,000;

surplus, \$6,204,963; inc., \$1,190,996. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 3,488,639	\$1,126,498
Health	2,594,170	1,251,602
Non-canc. H. & A.	661,277	700,154
Auto liability	4,374,150	1,672,682
Other liability	2,080,205	544,978
Workmen's comp.	3,694,510	1,384,339
Fidelity	575,364	148,581
Surety	1,070,382	233,477
Plate glass	339,176	136,917
Burglary and theft.	658,208	140,476
Steam boiler	81,554	3,793
Engine and mach.	34,563	47
Auto prop. damage.	1,270,128	475,337
Auto collision	42,168	15,578
Other P. D. and coll.	74,678	10,912
Miscellaneous .....	.....	161

Total\$21,039,172 \$7,846,132

Connecticut Indem.—Assets, \$1,340,886; inc., \$151,549; unearned prem., \$271,595; loss res., \$279,657; liab. res., \$252,178; capital, \$250,000; surplus, \$471,335; dec., \$42,787. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 442,865	\$ 152,647
Auto prop. damage.	136,753	49,473

Total\$ 579,618 \$ 202,121

Cook County Farmers Mut., Ill.—Assets, \$304,582; inc., \$8,302; loss res., \$1,760; liab. res., \$14,419; surplus, \$286,196; inc., \$5,905. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 15,762	\$ 3,133
Burglary and theft.	2,862	84
Auto prop. damage.	5,176	3,250
Auto collision	15,064	7,870
Other auto fire.	2,097	57

Total\$ 40,964 \$ 14,396

Craftsman, Mass.—Assets, \$230,093; inc., \$9,162; loss res., \$21,490; non-can A. & H. res., \$17,000; surplus, \$54,845; inc., \$8,399. Experience:

	Net Prem.	Losses Pd.
Accident & health.	\$ 129,207	\$ 47,772
Non-canc. H. & A.	87,445	44,659

Total\$ 216,652 \$ 92,431

Eagle Indem., N. Y.—Assets, \$8,565,696; inc., \$858,144; unearned prem., \$1,918,513; loss res., \$459,471; liab. res., \$1,499,593; comp. res., \$1,042,184; capital, \$1,000,000; surplus, \$1,000,000. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 77,808	\$ 30,903
Health	10,106	3,986
Auto liability	1,236,454	524,255
Other liability	627,633	178,145
Workmen's comp.	724,912	295,097
Fidelity	140,982	33,975
Surety	72,845	3,551
Plate glass	91,409	39,805
Burglary and theft.	242,081	71,057
Steam boiler	65,485	5,510
Engine and mach.	18,578	8,518
Auto prop. damage.	324,890	122,271
Auto collision	14,092	8,679
Other P. D. and coll.	23,559	3,469

Total\$3,670,834 \$1,329,221

Employers Mut. Liab., Wis.—Assets, \$17,162,871; inc., \$1,591,315; unearned prem., \$2,741,389; loss res., \$196,739; liab. res., \$1,235,078; comp. res., \$8,438,568; surplus, \$2,586,732; inc., \$501,528. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$1,205,242	\$ 545,634
Other liability	713,503	100,893
Workmen's comp.	9,168,619	4,226,451
Auto fire	9,520	784
Auto theft	12,698	1,495
Plate glass	7,981	2,223
Burglary and theft.	5,182	574
Auto prop. damage.	393,408	155,074
Auto collision	132,670	78,091
Other P. D. and coll.	186,692	22,321

Total\$11,835,515 \$5,133,540

Factory Mut. Liab., R. I.—Assets, \$12,900,386; inc., \$822,653; unearned prem., \$1,129,791; loss res., \$95,852; liab. res., \$2,808,009; guarantee fund (paid up), \$250,000; surplus, \$6,500,344; inc., \$778,421. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$2,315,372	\$ 671,227
Other liability	6,291	73
Burglary and theft.	13,300	386
Auto prop. damage.	662,521	154,758
Auto collision	175,284	59,827

Total\$3,072,768 \$ 886,271

Farmers Mut. Liab., Ind.—Assets, \$446,957; inc., \$80,150; unearned prem.,

\$155,455; loss res., \$7,556; liab. res., \$57,685; comp. res., \$66,944; surplus, \$115,079; inc., \$29,855. Experience:

	Net Prem.	Losses Pd.
Auto fire	\$ 14,672	\$ 1,108
Auto windstorm	2,799	320
Auto liability	81,961	43,391
Other liability	3,961	684
Workmen's comp.	116,868	60,041
Occupational disease ..	1,323	.....
Plate glass—auto.	434	.....
Burg. & theft—auto.	10,472	2,412
Auto prop. damage.	48,702	14,822
Auto collision	65,821	48,833
Other P. D.	510	41

Total\$ 347,523 \$ 171,653

Farmers Auto Inter-Ins. Exch., Cal.—Assets, \$4,545,609; inc., \$1,011,695; unearned prem., \$1,568,266; loss res., \$260,985; liab. res., \$1,037,914; surplus, \$1,200,000; inc., \$393,759. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$2,639,947	\$1,113,072
Auto prop. damage.	791,655	370,689
Auto collision	1,782,961	909,650
Other auto	645,643	177,016

Total\$5,860,206 \$2,570,427

Frankenmuth Mut. Auto., Mich.—Assets, \$296,152; inc., \$53,555; unearned prem., \$133,117; loss res., \$11,788; liab. res., \$49,474; surplus, \$100,817; inc., \$35,675. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 94,642	\$ 54,100
Plate glass .....	.....	3,111
Burglary and theft.	14,736	2,422
Auto prop. damage.	57,374	21,185
Auto collision	85,770	59,799
Other auto fire.	15,750	4,175

Total\$ 268,718 \$ 145,014

General Acc.—Assets, \$36,628,611; inc., \$2,520,692; unearned prem., \$8,725,769; loss res., \$998,775; liab. res., \$7,264,771; comp. res., \$3,524,683; capital, \$550,000; surplus, \$11,265,879; inc., \$962,898. Experience:

	Net Prem.	Losses Pd.
Accident	\$ 677,730	\$ 225,816
Health	426,150	156,382
Auto liability	9,193,056	3,336,874
Other liability	1,605,709	419,768
Workmen's comp.	3,313,012	1,678,162
Plate glass	193,219	51,993
Burglary and theft.	523,356	181,832
Steam boiler	77,150	4,257
Engine and mach.	14,134	3,380
Auto prop. damage.	2,310,385	951,395
Auto collision	214,516	95,631
Other P. D. and coll.	80,845	12,366

Total\$18,629,262 \$7,157,856

Government Employees, D. C.—Assets, \$478,001; inc., \$121,087; unearned prem., \$248,502; loss res., \$20,103; liab. res., \$53,117; capital, \$100,000; surplus, \$52,317; dec., \$18,226. Experience:

	Net Prem.	Losses Pd.
Auto fire	\$ 25,896	\$ 5,384
Auto theft	27,143	4,716
Auto misc.	7,632	5,949
Auto liability	169,327	43,190
Auto prop. damage.	55,318	19,633
Auto collision	115,740	64,608

Total\$ 401,056 \$ 143,480

Guarantee of North Amer.—Assets, \$2,049,178; inc., \$1,473; unearned prem., \$142,468; loss res., \$170,225; capital, \$250,000; surplus, \$1,413,437; inc., \$7,193. Experience:

	Net Prem.	Losses Pd.
Fidelity	\$ 153,487	\$ 58,221
Surety	132,895	5,737

Total\$ 286,382 \$ 63,958

Hartford Accident—Assets, \$75,689,963; inc., \$7,425,583; unearned prem., \$15,893,820; loss res., \$4,003,106; liab. res., \$11,326,961; comp. res., \$10,615,393; capital, \$3,000,000; surplus, \$17,000,000; inc., \$2,000,000. Experience:

	Net Prem.	Losses Pd.
Accident	\$1,137,652	\$ 498,864
Health	56,997	33,372
Auto liability	10,252,175	4,440,065
Other liability	5,162,990	1,453,869
Workmen's comp.	10,653,175	4,842,382
Fidelity	2,287,907	612,718
Surety	2,901,842	187,466
Plate glass	472,288	200,988
Burglary and theft.	1,649,403	451,488
Auto prop. damage.	2,890,706	1,085,989
Auto collision	308,647	150,139
Other P. D. and coll.	383,516	82,234
Live stock	8,493	7,370

Total\$38,166,100 \$14,046,944

Highway Mut. Cas., Ill.—Assets, \$75,075; inc., 7,079; unearned prem., \$19,-

855; loss res., \$72; liab. res., \$1,622; comp. res., \$10,513; surplus, \$39,249; dec., \$6,609. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 1,423	\$ 472
Workmen's comp.	56,515	19,121
Auto prop. damage.	—389	619
Auto collision	140	547

Total\$ 54,801 \$ 20,845

Hoosier Cas., Ind.—Assets, \$1,232,052; inc., \$134,988; unearned prem., \$356,297; loss res., \$303,148; liab. res., \$226,257; capital, \$200,000; surplus, \$238,221; inc., \$7,747. Experience:

Auto liability	345,120	148,114
Auto fire	33,665	9,531
Auto theft	42,033	6,202
Auto tornado	7,532	731
Comprehensive	10,461	7,671
Auto prop. damage.	158,606	68,735
Auto collision	162,300	81,060

UNITED STATES GUARANTEE COMPANY

49th Annual Statement, December 31, 1938

ASSETS

United States Government Bonds	\$ 4,742,122.27
Dominion of Canada Bonds	123,015.92
State and Municipal Bonds	649,640.02
Railroad Bonds and Stocks	547,800.21
Public Utility Bonds and Stocks . . .	1,293,471.91
Miscellaneous Bonds and Stocks	5,682,579.46
TOTAL BONDS AND STOCKS	\$13,038,629.79
Cash in Banks	\$2,226,674.66
Cash in Office	7,250.00
	2,233,924.66
Premiums, not over three months due	644,774.26
Reinsurance Receivable	60,710.24
Accrued Interest	42,207.29
Other Assets	43,308.08
TOTAL ADMITTED ASSETS	\$16,063,554.32

LIABILITIES

Reserve for Unearned Premiums	\$ 2,889,429.52
Reserve for Losses and Claims . .	2,993,917.75
Reserve for Loss Adjustment Expenses	74,217.14
Reinsurance Reserves	951,889.01
Commissions and Brokerage	138,460.28
Federal, State and Other Taxes . .	327,397.35
Accounts Payable	25,342.76
Voluntary Special Reserve	76,669.45
Voluntary Contingency Reserve	1,250,000.00
	\$ 8,727,323.26
Capital Paid In	\$2,000,000.00
Surplus	5,336,231.06
Surplus to Policyholders	7,336,231.06
TOTAL LIABILITIES	\$16,063,554.32

Bonds and Stocks are valued in accordance with requirements of State of New York Insurance Department. On the basis of December 31, 1938, market quotations for all bonds and stocks owned, this company's Total Admitted Assets and its Surplus would be increased by \$213,552.82. Securities carried at \$970,803.22 in the above statement are deposited as required by law.

DIRECTORS

A. M. ANDERSON, <i>J. P. Morgan & Co.</i>	New York	WILLIAM A. HAMILTON	Hamilton, Ont.
WM. HENRY BARNUM <i>President, Continental Realty Investing Co., Inc.</i>	New York	ROBERT A. LOVETT, <i>Brown Brothers Harriman & Co.</i>	New York
HENDON CHUBB, <i>Chubb & Son</i>	New York	GARRISON NORTON, <i>Arthur Young & Co.</i>	New York
PERCY CHUBB, 2ND, <i>Chubb & Son</i>	New York	JUNIUS L. POWELL, <i>Chubb & Son</i>	New York
CLINTON H. CRANE, <i>President, St. Joseph Lead Co.</i>	New York	GEORGE H. REANEY, <i>President</i>	New York
D. ROGER ENGLAR, <i>Bigham, Englar, Jones & Houston</i>	New York	REEVE SCHLEY, <i>Vice-President, Chase National Bank</i>	New York
		J. Y. G. WALKER, <i>Walker Bros.</i>	New York

HOME OFFICE

90 John Street
New York, New York

WASHINGTON SERVICE BUREAU
Shoreham Building
Washington, D. C.

WESTERN DEPARTMENT
Insurance Exchange Bldg.
Chicago, Ill.

SOUTHERN DEPARTMENT
Hurt Building
Atlanta, Ga.

\$250,000; surplus, \$242,819; inc., \$31,286. Experience:

	Net Prems.	Losses Pd.
Accident	5,206	188
Auto liability	299,142	151,353
Other liability	2,669	20
Auto fire	24,003	9,724
Cargo	5,100	323
Plate glass	11,183	5,612
Auto and theft	22,608	5,103
Auto tor.	3,575	737
Comp.	4,576	6,372
Auto prop. damage	117,653	56,277
Auto collision	60,242	27,203
Other P. D. and coll.	10	.....
Total	\$ 555,967	\$ 262,912

Michigan Surety—Assets, \$773,943; inc., \$51,125; unearned prem., \$100,902; loss res., \$37,435; capital, \$300,000; surplus, \$302,266; inc., \$50,807. Experience:

	Net Prems.	Losses Pd.
Fidelity	22,998	30,400
Surety	157,497	3,201
Total	\$ 180,495	\$ 27,199

Mid-Western Cas., Ia.—Assets, \$119,870; inc., \$3,026; unearned prem., \$26,655; loss res., \$22,446; liab. res., \$5,710; surplus, \$53,511; dec., \$1,796. Experience:

	Net Prems.	Losses Pd.
Accident	50,385	22,763
Auto liability	17,975	5,611
Other liability	1,321	422
Burglary and theft	4,801	429
Auto prop. damage	12,302	3,463
Auto collision	19,511	7,295
Other P. D. and coll.	1,873	351
Other auto	20,074	5,750
Total	\$ 128,244	\$ 46,087

Motor Indem., Ind.—Assets, \$1,806,663; dec., \$282,420; unearned prem., \$889,690; loss res., \$159,260; liab. res., \$4,500; surplus, \$635,501; inc., \$266,356. Experience:

	Net Prems.	Losses Pd.
Auto liability	8,980	799
Auto prop. damage	3,972	596
Auto collision	589,591	836,601
Other auto	312,203	218,265
Total	\$ 914,746	\$ 1,056,261

Motor Vehicle Cas., Ill.—Assets, \$1,036,144; inc., \$30,787; unearned prem., \$330,869; loss res., \$14,800; liab. res., \$229,398; capital, \$200,000; surplus, \$143,419; inc., \$66,647. Experience:

	Net Prems.	Losses Pd.
Auto liability	381,620	182,303
Auto theft	47,088	6,844
Auto prop. damage	148,435	47,819
Auto collision, P. G. towing & comprehensive	156,738	120,751
Other auto, fire and windstorm	37,622	9,966
Total	\$ 771,503	\$ 367,683

Mutual Benefit H. & A.—Assets, \$7,469,085; inc., \$1,418,541; unearned prem., \$1,646,473; loss res., \$3,219,800; non-can. A&H res., \$291,491; surplus, \$600,000; inc., \$100,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$11,669,602	\$ 5,364,299

National Protective, Mo.—Assets, \$558,398; inc., \$98,481; unearned prem., \$230,536; loss res., \$69,575; capital, \$25,000; surplus, \$180,889; inc., \$15,594. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 385,204	\$ 91,062
Health	208,213	60,338

New Century Cas., Ill.—Assets, \$602,176; inc., \$14,022; unearned prem., \$196,578; loss res., \$17,408; liab. res., \$48,292; capital, \$200,000; surplus, \$101,299; inc., \$15,389. Experience:

	Net Prems.	Losses Pd.
Auto liability	123,576	45,289
Plate glass	272,261	138,179
Auto prop. damage	40,061	19,703
Auto collision	2,738	1,619
Total	\$ 438,636	\$ 204,790

Northwestern Natl. Cas., Wis.—Assets, \$1,573,664; inc., \$83,519; unearned prem., \$403,077; loss res., \$39,810; liab. res., \$335,794; capital, \$200,000; surplus, \$480,248; inc., \$64,472. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 541,078	\$ 288,981
Auto prop. damage	217,792	88,272
Auto collision	21,715	7,589
Other P. D. and coll.	24,201	3,953
Total	\$ 804,786	\$ 388,795

No. Amer. Acci., Ill.—Assets, \$3,225,643; inc., \$235,894; unearned prem., \$1,306,717;

loss res., \$467,068; capital, \$400,000; surplus, \$506,415; inc., \$100,056. Experience:

	Net Prems.	Losses Pd.
Accident & health	\$1,411,158	\$1,427,576

Ocean Accident—Assets, \$18,530,769; inc., \$338,379; unearned prem., \$9,269,875; loss res., \$854,791; liab. res., \$2,950,022; comp. res., \$3,790,182; capital, \$850,000; surplus, \$4,356,635; inc., \$781,513. Experience:

	Net Prems.	Losses Pd.
Accident	432,378	181,778
Health	194,610	119,674
Auto liability	2,172,334	864,174
Other liability	1,231,170	360,671
Workmen's comp.	2,803,064	1,373,564
Fidelity	295,667	96,824
Surety	108,627	11,599
Plate glass	164,577	68,993
Burglary and theft	433,726	108,396
Steam boiler	355,220	26,723
Engine and mach.	245,718	96,032
Auto prop. damage	634,003	244,507
Auto collision	25,516	9,207
Other P. D. and coll.	55,410	5,912
Credit .....	.....	2,615
Total	\$9,152,019	\$3,570,669

Ohio Cas.—Assets, \$7,135,082; inc., \$1,133,674; unearned prem., \$2,549,634; loss res., \$421,878; liab. res., \$1,575,874; capital, \$600,000; surplus, \$1,000,000; inc., \$191,873. Experience:

	Net Prems.	Losses Pd.
Accident	23,210	3,071
Other liability	299,379	74,273
Fidelity	191,928	8,867
Surety	257,774	2,129
Plate glass	132,642	56,206
Burglary and theft	169,085	25,893
Other P. D. and coll.	27,156	6,467
All automobile	4,606,014	1,743,780
Total	\$5,707,188	\$1,920,686

Ohio Farmers Indem.—Assets, \$1,424,563; inc., \$147,003; unearned prem., \$287,230; loss res., \$57,368; liab. res., \$396,238; capital, \$200,000; surplus, \$460,518; inc., \$83,319. Experience:

	Net Prems.	Losses Pd.
Accident	2,552	.....
Auto liability	518,941	162,151
Other liability	12,543	1,398
Plate glass	5,192	1,510
Burglary and theft	4,200	488
Auto prop. damage	204,909	86,894
Other P. D. and coll.	394	69
Total	\$ 748,733	\$ 252,512

Royal Indem., N. Y.—Assets, \$31,843,601; inc., \$2,853,375; unearned prem., \$5,976,164; loss res., \$2,095,787; liab. res., \$5,425,040; comp. res., \$5,187,093; capital, \$2,500,000; surplus, \$2,500,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 224,314	\$ 92,735
Health	32,413	19,806
Auto liability	4,230,897	2,047,507
Other liability	1,873,562	591,273
Workmen's comp.	3,352,452	1,478,185
Fidelity	596,569	114,561
Surety	407,307	49,778
Plate glass	243,177	89,156
Burglary and theft	650,477	161,812
Steam boiler	288,850	21,932
Engine and mach.	104,753	29,215
Auto prop. damage	1,206,657	460,928
Auto collision	48,960	29,339
Other P. D. and coll.	120,244	9,840
Total	\$13,380,632	\$5,196,067

Shelby Mut. Pl. Gl. & Cas., O.—Assets, \$1,554,670; inc., \$121,848; unearned prem., \$687,185; loss res., \$43,715; liab. res., \$225,033; surplus, \$478,939; inc., \$43,806. Experience:

	Net Prems.	Losses Pd.
Auto liability	537,906	245,719
Other liability	45,960	9,836
Plate glass	468,430	237,146
Tor. & comprehen. ....	.....	7
Auto prop. damage	220,919	91,112
Auto collision	1,390	861
Total	\$1,274,607	\$ 584,954

State Auto., Ind.—Assets, \$4,329,713; inc., \$288,312; unearned prem., \$1,272,872; loss res., \$197,155; liab. res., \$647,850; surplus, \$1,250,000; inc., \$150,000. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$1,231,275	\$ 619,311
Auto prop. damage	492,953	325,442
Auto collision	645,222	448,258
Other P. D. and coll.	254,716	67,771
Total	\$2,624,166	\$1,460,782

Security Taxpayers Mut., N. Y.—Assets, \$380,842; inc., \$48,897; unearned prem.,

\$154,449; liab. res., \$182,832; surplus, \$32,527; dec., \$11,601. Experience:

	Net Prems.	Losses Pd.
Other liability	\$ 316,528	\$ 109,331

Suburban Auto., Ill.—Assets, \$590,017; inc., \$66,619; unearned prem., \$170,660; net unpaid claims, \$121,361; capital, \$200,000; surplus, \$71,186; inc., \$5,276. Experience:

	Net Prems.	Losses Pd.
Auto fire	14,532	3,740
Auto theft	17,403	1,618
Auto windstorm	1,961	1,190
Auto liability	172,111	55,917
Comprehensive	15,957	3,599
Plate glass	2,062	1,634
Auto prop. damage	75,368	25,041
Auto collision	47,523	26,931
Auto misc.	1,268	490
Total	\$ 348,189	\$ 120,163

Sun Indem. of N. Y.—Assets, \$6,439,192; inc., \$276,809; unearned prem., \$1,440,186; loss res., \$254,362; liab. res., \$1,102,873; comp. res., \$598,145; capital, \$1,000,000; surplus, \$1,620,124; inc., \$436,684. Experience:

	Net Prems.	Losses Pd.
Accident	90,198	41,422
Health	33,319	13,002
Auto liability	1,145,977	602,586
Other liability	408,066	136,758
Workmen's comp.	602,644	277,565
Fidelity	36,876	7,676
Surety	56,473	40,359
Plate glass	79,147	32,667
Burglary and theft	160,345	44,274
Auto prop. damage	447,851	202,901
Auto collision	19,025	7,785
Other P. D. and coll.	8,868	1,660
Total	\$3,086,729	\$1,408,655

Sunset Cas., Wash.—Assets, \$207,510; inc., \$207,510; unearned prem., \$3,257; loss res., \$1,639; capital, \$100,000; surplus, \$101,048; inc., \$101,048. Experience:

	Net Prems.	Losses Pd.
Accident & health	19,583	2,861

Tenn. Auto—Assets, \$561,128; inc., \$82,921; unearned prem., \$182,390; liab. res., \$48,350; capital, \$101,000; surplus, \$202,741; inc., \$165,782. Experience:

	Net Prems.	Losses Pd.
Fire	16,727	13,518
Theft	10,061	1,257
Auto liability	219,667	82,490
Auto prop. damage	102,878	33,338
Auto collision	19,232	8,884
Other auto	1,602	769
Total	\$ 370,220	\$ 145,258

Trinity Universal, Tex.—Assets, \$6,003,066; inc., \$730,408; unearned prem., \$2,136,723; loss res., \$221,534; liab. res., \$923,493; capital, \$1,000,000; surplus, \$1,345,405; inc., \$414,686. Experience:

	Net Prems.	Losses Pd.
Other fire lines	\$ 571,911	\$ 252,531
Auto liability	1,329,982	372,169
Other liability	124,330	53,606
Fidelity	29,779	9,467
Surety	271,064	9,542
Plate glass	185,416	66,593
Burglary and theft	39,968	9,243
Auto fire	238,787	135,627
Auto theft	203,875	61,641
Auto prop. damage	481,214	215,377
Auto collision	541,300	287,775
Other P. D. and coll.	21,819	1,593
Other auto	65,608	36,074
Total	\$4,105,053	\$1,812,238

Truck Ins. Exch., Cal.—Assets, \$783,377; inc., \$203,163; unearned prem., \$138,201; loss res., \$69,970; liab. res., \$293,820; surplus, \$210,060; inc., \$58,902. Experience:

	Net Prems.	Losses Pd.
Auto liability	581,798	227,959
Auto prop. damage	249,342	126,961
Auto collision	93,409	36,898
Other auto	103,896	33,660
Total	\$1,028,445	\$ 425,478

Virginia Surety—Assets, \$334,404; inc., \$29,135; unearned prem., \$6,155; liab. res., \$3,619; capital, \$260,000; surplus, \$59,888. Experience:

	Net Prems.	Losses Pd.
Auto liability	3,204	5,180
Fidelity	3,730	.....
Surety	8,512	2,476
Auto prop. damage	679	664
Total	\$ 16,127	\$ 8,320

United States Guar.—Assets, \$16,063,554; inc., \$2,037,806; unearned prem., \$2,889,430; loss res., \$595,038; liab. res., \$2,234,988; comp. res., \$163,892; capital,

LEGISLATION

Georgia—A senate bill gives the insurance commissioner regulation of health and accident rates.

Indiana—A claim adjuster employed in Indiana would have to be an attorney under the terms of house bill 493 which is now before the state legislature.

A bill to repeal the state working men's compensation rating bureau act has been introduced in the senate.

Michigan—The bill liberalizing the occupational disease act was reported by the labor committee with only minor amendments but was defeated by a substantial margin after lengthy arguments. The adverse vote eventually was reconsidered and the bill tabled. Still later the bill was returned to the labor committee where it may either be rewritten or pigeonholed.

Minnesota—Senate bill 276 provides for sweeping increases in compensation insurance benefits. If enacted, it would force an increase of 10 percent in rates, it is estimated.

Montana—Agents are working against several legislative proposals, including S.B. 182 creating a compulsory automobile liability fund by charging an additional license fee of \$10.

New York—The New York senate has passed a bill permitting political subdivisions to bring policemen within the compensation act.

Ohio—New bills require the filing of automobile rates with the insurance superintendent; exempt hospitalization and medical service companies from \$50,000 asset requirements; exempt non-profit hospitals from insurance laws; permit purchase of liability insurance on school buses; require \$50,000 surplus for licensing of mutual companies.

Wyoming—A monopolistic state bonding fund bill was killed.

Develop High-Low Specialists

Casualty companies find that since the advent of retrospective rating they are being called upon to an increasing extent to get up exhibits for assured or prospects who are not seriously interested in going on the so-called high-low plan, but are mildly interested in seeing how it would come out so far as they are concerned. Of course, there has been a real increase in the actual use of retrospective rating, but there has been an even greater increase in the demand to have blue prints made without any real intention to go on the retrospective basis. Some of the casualty companies maintain a special department for handling retrospective rating deals and proposals, so that quite a corps of experts is being developed.

\$2,000,000; surplus, \$5,336,231; inc., \$1,082,933. Experience:

	Net Prems.	Losses Pd.
Accident	2,316	937
Auto liability	1,796,242	759,579
Other liability	728,343	239,819
Workmen's comp.	126,297	75,047
Fidelity	743,085	204,135
Surety	1,137,632	24,233
Plate glass	31,591	16,523
Burglary and theft.	331,361	104,308
Auto prop. damage.	484,077	218,408
Auto collision	30,807	9,511
Other P. D. and coll.	51,491	12,079
Total	\$5,463,242	\$1,664,579



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WORKMEN'S COMPENSATION

National Council Seeks Colorado Rate Revision

DENVER—A request for revision of workmen's compensation rates has been filed with the Colorado industrial commission by the National Council on Compensation Insurance. The bureau appointed a committee from the Colorado Association of Insurance Agents to support the move. Representatives of the National Council and members of this committee will present details of the proposed revision before the commission. Members of the committee are: D. U. Hampton, Colorado Springs, chairman; E. G. Middlekamp, Pueblo, and Herbert Fairall, Denver.

The loss ratio for smaller risks in Colorado now exceeds that of larger risks, according to C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters. To overcome this inequality, the bureau requests the collection of a loss constant on risks with annual premium under \$500. This would total \$10 on manufacturing risks and \$5 on all others except contracting and

mining, where no constants are applicable.

The proposed loss constants would bring in Colorado a reduction in proposed manual rates of 1.8 percent on manufacturing and 2.5 percent on all others except contracting and mining. The loss constants would be accompanied by offsets in manual rates of industry groups affected so the printed rates for the manufacturing group would be increased an average of $\frac{1}{2}$ of 1 percent and those for the all-other-group classification about 1.7 percent.

Stirrat Heads California Fund

J. C. Stirrat who has been active in a railroad workers local union, has been appointed manager of the California compensation fund. He succeeds C. B. Day who is stepson of former Governor Merriam.

Liberalization Urged in Report

BOSTON—Broad liberalization of the Massachusetts compensation law is advocated in the report of a special legislative commission created by the last legislature to make a special study. An

assigned risk pool is recommended where an employer has been refused by two companies.

Surety bonds or an indemnifying contract for employers without compensation cover is suggested. Occupational disease protection where workers are exposed to silicosis is recommended. A minority report advocated a compulsory law and a state fund.

CHANGES

New Amsterdam Makes Changes

Carlos C. Boaz, state agent of the New Amsterdam Casualty for six years, with headquarters in Peoria, has been transferred to Chicago as manager of the bond department just organized in the branch office. He has been with the company about 10 years. Mr. Boaz is succeeded as state agent by H. M. Ohlsund, with headquarters in Chicago. He goes from the Employers Liability at Omaha, with which he was connected 10 years. R. E. Dolmetsch, claim manager at Ft. Wayne, Ind., was transferred to Chicago as assistant to Harry E. Walsh, claim manager in the branch.

Travelers New Texas Setup

The Travelers has opened a branch office at Houston, Tex., to handle all business in that district. Robert Leiper is manager of the fire department, Ray B. Moses of the casualty department and Tom Raines of the life department.

Harlin Winn, formerly assistant manager at San Antonio, under the Dallas branch, has been made manager there and will have charge of all south Texas. The Dallas branch office, it is understood, will devote more time to organizing the Panhandle and west Texas. It is understood a district office will be established in the Panhandle shortly.

Snyder to Royal Indemnity

Eugene W. Snyder, special agent in charge of the Omaha service office of the Hartford Accident for seven years, has been appointed assistant production manager of the Royal Indemnity in New York. Ray Lawton, with the Hartford Accident in Kansas City, succeeds Mr. Snyder in Omaha.

Fifty of Mr. Snyder's business associates gave a dinner for him Monday evening in Omaha.

Mr. Lawton has been covering western Kansas. He has been with the company 18 years, and was in Oklahoma City as special agent for several years before going to Kansas.

Rechtiene Special Agent

J. E. Rechtiene has been named special agent of the Twin Cities office of the Maryland Casualty in Minneapolis. He has been a supervising payroll auditor in the Twin Cities office for the last three years. He has been with the Maryland since 1929, previously as a payroll auditor in the Chicago office.

Charles E. Sprague Is Retiring

Charles E. Sprague, assistant secretary in the accident and liability department of Aetna Life, has retired after 34 years service.

Anchor Names Dobson Smith

The Anchor Casualty of St. Paul has appointed Dobson Smith & Co., Helena, general agents for Montana. J. M. Sogard, who has been special agent of the Anchor in Montana will become affiliated with the agency.

United Employers Appointments

The United Employers Casualty of Houston, Tex., has appointed H. Economy comptroller and A. V. Cross Jr. assistant comptroller. Mr. Economy was formerly with Lloyds America of San Antonio.

Churchill B. Knox, 63, Kansas City agent for the North American Accident, died.

ASSOCIATIONS

Miller Heads Michigan Group

The Casualty & Surety Executives Association of Michigan at the annual meeting elected new officers: C. L. Miller, manager Detroit branch Standard Accident, president. R. B. DeVore, special agent in charge of Detroit office Hartford Accident reelected vice-president, and W. O. Gamble, assistant manager Zurich, was elected secretary-treasurer. Mr. Miller formerly was secretary-treasurer.

Webster Is Elected President

BOSTON.—The Surety Underwriters Association of Massachusetts elected officers: President, H. M. Webster, Maryland Casualty; vice-president, Charles Clark, Massachusetts Bonding; treasurer, G. W. Berry, Massachusetts Bonding; secretary, C. E. Megargel, Fidelity & Deposit; executive committee, F. B. Hammond, American Surety; L. W. Moore, Fidelity & Deposit; C. B. Bristol, Century Indemnity; J. P. Parker, O'Neil & Parker, and F. M. Babson.

McCarroll Heads Adjusters

J. R. McCarroll, Jr., has been elected president Arkansas Casualty Adjustment Association. Vice-president is James Harris and secretary-treasurer is W. H. Martsoff.

National defense was discussed by Major H. D. Bagnall before the Oregon Casualty Adjusters Association in Portland.

Hearing Held in Virginia on Truck Rate Revision

RICHMOND, VA.—Witnesses testifying before the state commission in an investigation of long haul truck liability and property damage rates declared truck operators in Virginia pay higher rates than in neighboring states. V. R. Goode, Richmond attorney representing Pennsylvania Casualty, who submitted recommendations for revision of present rates, said many truckmen who operate in Virginia obtain their insurance outside the state at much lower cost. He suggested several possible plans for revision. One would base the rate on the average between the highest and lowest rate zone in which a truckman operates, instead of the two highest rated zones as under the present system.

C. M. Chichester, special assistant attorney general, said he would take a neutral position unless the evidence indicated that certain changes and revisions might be necessary. He suggested that Mr. Goode's recommendations be taken as a starting point from which to weigh the evidence. It was brought out that a truckman operating between Richmond and New York had to pay \$1,150 insurance in a year, whereas a truckman operating from a point in North Carolina would pay only \$600. Local truckmen, operating within a radius of 50 miles, are permitted to go outside the area at times without paying a higher rate. Commissioner Ozlin asked Mr. Goode if he thought this regulation was abused. The attorney said he believed that it was, although he did not have evidence to support the statement.

G. A. Peery, statistician of the Virginia department, gave experience and loss records with respect to truck carriers. T. J. Moore, Richmond attorney, appeared for the National Bureau of Casualty & Surety Underwriters. I. S. Markel represented the American Fidelity & Casualty. A number of mutuals were also represented at the hearing. H. L. Callanan appeared as an observer for the interstate commerce commission.

California is requiring public weighmasters in the various cities and communities to post a \$1,000 surety bond.

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AMERICAN MOTORISTS INSURANCE COMPANY

Division of Kemper Insurance

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CHICAGO, ILL.

ACCIDENT AND HEALTH

Canada Now Has New Reimbursement Form for Sickness

A new sickness reimbursement form is being introduced in Canada, effective March 1, by companies writing over 70 percent of the business in the Dominion, as a result of the work of the Sickness Insurance Committee, a voluntary association of companies. Payment of hospital, nurse and surgical benefits no longer depends upon whether weekly or monthly indemnity is payable, but may be secured on a separate basis, with total disability as the only condition. Accident disability is excluded.

The standard endorsement provides for hospital indemnity and nursing fees up to 90 days, either scheduled benefits or blanket reimbursement for surgical operations, \$10 for anaesthetist fee, \$10 for x-ray examination for diagnostic purposes, with a total of \$25 for all x-rays and \$10 for operating room. Venereal diseases are excluded.

The hospital and nurses fees are written for amounts ranging from \$10 per month to \$7 per day. For \$5 per day, hospital, the annual premium, ages 18-50, is \$7 and ages 51-60, \$9.80. For nurse it is \$2.80 and \$4.20, respectively. For surgical fees on a \$5 to \$100 schedule, premiums are \$3 and \$4. For blanket surgical fees, written with limits of \$50 to \$250, the premiums for the latter amount are \$9 and \$12. For anaesthetist, operating room and x-rays, they are \$2 and \$3.

Rates for weekly indemnity sickness insurance also have been substantially increased. It is written under three forms, the maximum benefit form, paying weekly indemnity for 52 weeks, house confinement not required; house confinement form, and minimum benefit form, paying monthly indemnity for six months, house confinement not required.

The committee had previously issued forms standardizing "industrial" sickness policies, which were put into effect in January.

Lloyd, Exline Talk at Columbus

COLUMBUS, O.—At the annual meeting of the Columbus Accident & Health Association Superintendent Lloyd spoke and Fred M. Exline, Columbus manager Connecticut General, spoke on "Three Selling Points."

Past Presidents' Dinner

The "Past Presidents Dinner" May 17 will usher in the annual convention of the Industrial Insurers' Conference, which will meet at Edgewater Gulf Hotel, Edgewater, Miss., May 18-20. The dinner will be presided over by Senior Past President C. A. Craig, National Life & Accident of Nashville, and will be in the form of a testimonial to those who have guided the destinies of the Conference. The past presidents, in addition to Mr. Craig, include P. M. Estes, Life & Casualty of Tennessee, J. R. Leal Interstate Life & Accident of Chattanooga, B. L. Tatman of the Reliable Life & Accident of St. Louis, A. B. Langley Carolina Life of Columbia, S. C., G. R. Kendall Washington National of Chicago, E. T. Burr of the Durham Life of Raleigh, W. Peyton Jones, Bankers Health & Life of Macon, and O. E. Starnes Imperial Life of Asheville. President Frank P. Samford of the Liberty National of Birmingham is present president.

Committee chairmen named by President F. P. Samford are: Program, C. A. Craig, National Life & Accident; good of the conference, J. D. Morse, Home State Life of Oklahoma; statistics, N. T. Weaver, Bankers Health & Life; auditing, W. B. Clement, Pilot Life; credentials, J. H. McCrary, Southern Life & Health; law, P. M. Estes, Life

& Casualty; membership, W. W. Crisp, Continental Life; advertising, Peyton Jones, Bankers Health & Life; grievance, L. F. Lee, Peninsular; attendance, W. C. Ellis, Franklin National; golf, A. J. McAndless, Lincoln National Life; resolutions, A. B. Langley, Carolina.

Speak at St. Louis Course

ST. LOUIS—Gale F. Johnston, group manager of the Metropolitan Life, spoke on group coverage, discussing the various types of protection and explaining the contact, at the St. Louis Accident & Health Association's school. On Feb. 24, August Kern, Jr., St. Louis general agent Continental Casualty, will discuss the various types of hospitalization insurance and differences in coverages.

Dwinell on Trip to East

F. E. Dwinell, who recently was appointed regional sales manager for Massachusetts Accident in Chicago, with headquarters in the V. H. Hawkins & Associates general agency, is on a four weeks trip through the east, preparatory to finally settling down at the Chicago office.

V. H. Hawkins & Associates are

Cook county agents for Washington National and general agents for Massachusetts Accident. The agency doubled its business last year, necessitating larger quarters.

Creech with Occidental Life

KANSAS CITY—D. F. Creech, who has been in the accident and health field for 20 years, has gone with the Occidental Life of California here as accident and health manager for Missouri and Kansas. Mr. Creech who has been manager in Kansas City for the Interstate Business Men's Accident, has been with that company 13 years.

Warns Against Socialized Medicine

MILWAUKEE—Socialized medicine will not solve the country's health problems, James O. Kelly, secretary Milwaukee County Medical Society, told the Milwaukee Accident & Health Association. He warned against the plan of displacing family doctors by government physicians under a system of compulsory health insurance.

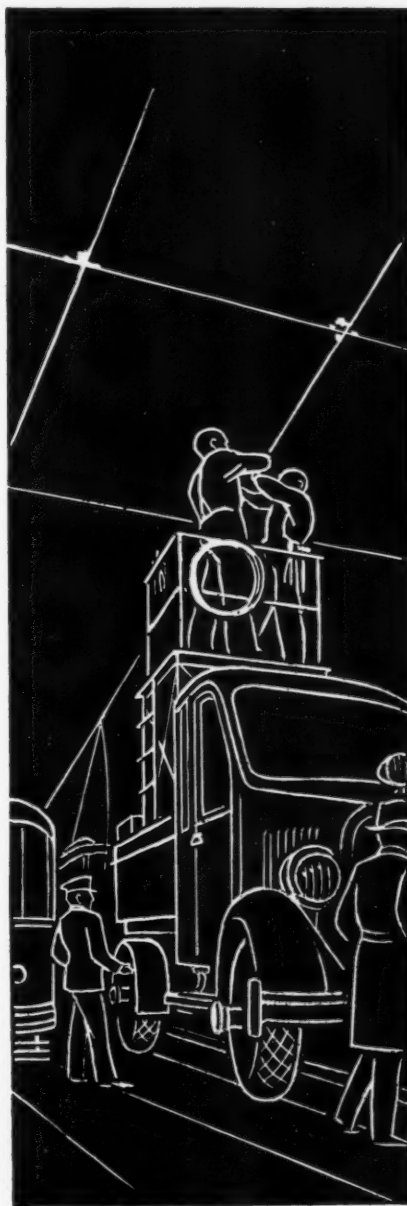
National Finance Health & Accident Association of Omaha has been incorporated by D. S. Krause, E. C. Pilcher, J. K. Ringwalt and others.

Await Decision in N. Y. Lloyds Suit

NEW YORK—A decision is expected early in March from Supreme Court Justice Hooley in Brooklyn in connection with the action brought by Attorney Gerald Morrell against five New York banks and trust companies and their directors for alleged violation of the insurance law requiring fidelity coverage of New York banks to be carried in companies licensed in New York state. The banks have been getting their insurance from London Lloyds. Attorneys for the defendant banks filed their briefs last Saturday and the plaintiff has until the end of this week to make response.

The banks that are named are Empire Trust, Central Hanover Bank & Trust, Brooklyn Trust, Corn Exchange Bank & Trust, and Irving Trust. A demand is made that the defendants make an accounting and that the directors be compelled to return to the banks all sums paid to Lloyds as premium.

It is understood that Corn Exchange Bank for the past several years has paid premiums of about \$380,000 to Lloyds and has received claim payments of \$464,000.



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Lancaster, Pennsylvania

ASSETS \$730,904.00

NEWS OF CASUALTY COMPANIES

Fireman's Fund Indemnity Reports Good Increases

Fireman's Fund Indemnity increased policyholders' surplus \$452,000, reserve for unearned premiums \$102,000 and total assets \$1,015,000, its annual report shows. Policyholders' surplus is now \$3,881,000 and assets \$10,742,000. If securities were valued at market basis the surplus and assets would both be \$182,000 greater.

Premiums written were \$5,685,000, about 2½ percent below 1937, the reduction being principally in automobile liability. Net gain from underwriting was \$59,000 while income from investments, after allowance for income taxes, was \$297,000, about the same as the previous year.

All classes of business showed a profit, including automobile liability and fidelity and surety, which have been unprofitable in several of the past years.

Cash balance was \$846,000, stocks and bonds \$8,566,000.

American Motorists' Figures

The earnings of the American Motorists of Chicago amounted to \$1,295,064 last year, of which \$988,051 was returned as dividends to policyholders. Stockholders dividends were \$60,000 and \$61,628 was added to a special reserve, which with the reserve for contingencies of \$200,000 is sufficient to take care of stock market fluctuation. The policyholders surplus is \$1,899,952, assets \$8,409,093, gain \$662,859. The premiums were \$6,208,660, decrease \$98,023. This reduction was less than the total non-participating business which was discontinued during the year. The participating premiums increased \$168,634. Over 70 percent of the assets are in cash and government bonds.

Western Casualty Exhibit

Although Western Casualty wrote less business in 1938 than it did in 1937, \$116,798 was added to loss reserves, \$57,730 to surplus and \$161,911 to assets. The decline in premiums was mainly in compensation and automobile lines. General liability, plate glass, burglary and fidelity and surety premiums gained \$129,862. Policyholders reserves and surplus at the end of 1937 were \$10,000 more than premiums written during the year, whereas at the end of 1938 reserves and surplus were \$459,000 more than premiums written during the year. There was a heavy increase in the holdings of cash and government bonds.

Surplus Now at \$1,000,000

National Casualty for the first time in its history, has reached the \$1,000,000 mark in net surplus. The figure is exactly that at the end of 1938. There is a general contingency reserve of \$400,276, capital is \$750,000. A year ago net surplus was \$750,000 and the contingency reserve was \$309,272. Assets are now \$4,633,453. Premium reserve is \$929,761 and claim reserve \$822,233. Net premiums written increased by nearly 10 percent.

National Life & Accident Reports

The National Life & Accident of Nashville declared a 2 percent extra dividend. C. A. Craig, chairman of the board, gave a report showing \$645,637,655 life insurance in force, increase \$45,827,009. Its assets are \$63,074,520, increase \$8,182,540, policyholders surplus \$8,060,613. The average yield on bonds is 3.31 percent. G. D. Brooks has been made manager of the investment department. R. M. Wright and Orville Nugent were elected assistant secretaries.

Mid-America Makes First Report

Mid-America Casualty of Cedar Rapids, Ia., has issued its first statement, having just been organized last year. Its

assets amount to \$268,912, of which \$265,498 is cash. There is a premium reserve of \$1,458, capital \$200,000 and net surplus \$50,000. It was licensed for the writing of full coverage automobile Nov. 22, 1938.

Ocean and Columbia Go Forward

Assets of Ocean Accident now amount to \$18,530,768, an increase of about \$800,000. Surplus to policyholders is \$5,206,635, a gain of about \$780,000. The ratio of surplus to premium writings is 56.

The affiliated Columbia Casualty reports assets \$7,589,751, increase more than \$500,000. Surplus to policyholders is \$3,889,886, increase about \$290,000.

New Central Surety Dividend Plan

Beginning in August, Central Surety will change its dividend policy to a quarterly basis. Heretofore decision as to dividends has been made semi-annually. Central Surety has just paid a semi-annual dividend of 80 cents. The company in 1938 had its most successful year in history.

Hoosier Casualty Figures

The Hoosier Casualty shows assets \$1,232,053, loss reserve \$310,838, premium reserve \$356,298, contingency reserve \$50,000, capital \$200,000, net surplus \$238,221.

W. H. Taylor, receiver for the Trade Mutual Liability of Boston, which failed in 1930, has been authorized to pay a second and final dividend of 2 percent to claimants, amounting to \$3,850 on a total of allowed claims of \$192,511.

Anchor Casualty Reports Satisfactory Increases



R. V. MOTHERSILL

The Anchor Casualty of St. Paul reports an increase in surplus of \$142,023, which totals \$302,866. In addition a contingency reserve of \$100,000 has been added. Surplus to policyholders is \$552,866, total admitted assets \$2,359,339. Capital is \$250,000. In addition to being licensed in Iowa, Nebraska, Minnesota, Montana, Colorado, North and South Dakota, the company has recently entered Idaho, Washington and Oregon. Gould & Gould of Seattle have been appointed general agents in Washington, Oregon and Idaho. The Gardner insurance agency of Denver has been appointed general agent to handle Colorado.

Officers are R. V. Mothersill, president; Henry Guthunz, Jr., secretary; A. L. Roach, superintendent of agencies; M. L. Griffiths, treasurer.

FIDELITY AND SURETY

Eggleston New Head of Michigan Surety Group

DETROIT—The Surety Association of Michigan held its annual meeting and 10th anniversary banquet here. New officers are: President, T. A. Eggleston, Aetna Casualty; vice-president, W. S. Cumming, Maryland Casualty; secretary-treasurer, James Fenwick, United States Fidelity & Guaranty; directors, Rankin Martin, National Surety, and Robert DeBore, Hartford Accident, all of Detroit. W. H. Lewis, vice-president Michigan Surety, Lansing, was renamed chairman of the legislative committee.

Chief banquet speakers were W. H. McBryan, resident vice-president U. S. F. & G., and T. E. Griffin, Detroit manager National Surety. Both reminisced at length of the old United Surety Association of Michigan, forerunner of the present organization. They were charter members of the old group, organized in 1908. Rankin Martin and O. L. Jeffrey, Metropolitan Casualty, gave an amusing skit.

Peerless Casualty Lowest Bidder

Blanket bond coverage on Vermont state officials has been awarded to Peerless Casualty of Keene, N. H., on its low bid of \$1,376 for one year submitted by McAllister & Kent of Barre. Bids were called for this year for the first time. The bureau companies' bid was \$1,597. The insurance department required that all bonds over \$10,000 be reinsured in American companies.

Place French Plane Building Bond

NEW YORK.—As brokers for the Curtis Airplane Manufacturing Co., of Baltimore, Alexander & Alexander of that city placed with Maryland Casualty the bond in connection with the contract to furnish the French Government's 215 fighting planes.

The **Wichita Insurers** reports all bonds for the new county officials have been written through board members.

Livy J. Eward, 57 years old, field insurance man for the Indiana Farm Bureau, died in Indianapolis.

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ADDRESS J-63, NATIONAL UNDERWRITER

WANTED YOUNG MAN

Large Wisconsin agency desires man to take charge of casualty department. State age, education, experience, and salary desired.

ADDRESS J-59, NATIONAL UNDERWRITER

Interest in Iowa Decision On Public Treasurer Bond

Surety companies are interested in a decision rendered by a district court of Iowa which places a burden on sureties on all public treasurers' bonds which has heretofore not been seriously contemplated. The decision seemingly is based in a rather distorted way on an Iowa supreme court holding of many years ago and makes sureties on treasurers' bonds guarantors of the accuracy of a retiring treasurer's account. It makes the surety liable for any shortage which may have occurred during the term of the predecessor, whether he be the same or another person.

Surety companies realize the hazard of "hold-overs." They are regarded as abnormal risks because of the danger that shortages arising in the earlier term will be covered up and carried into the new term and, therefore, charged against the subsequent sureties.

The decision seems to have swept away all the long standing holdings of the Iowa supreme court and these were undoubtedly considered when obligations under a public treasurer's bond have been assumed. In one of its decisions the Iowa supreme court said, "It is a well established principle that sureties are held only for the term for which their bond is given . . . as the law enters into and forms part of the contract." (10 Iowa 1859).

Another decision said, "When a new bond is given the former sureties were released for the future but not for prior acts and the new sureties were liable for after and not prior delinquencies." (22 Iowa 360).

Notwithstanding the evidence in the Iowa case showing a shortage of \$15,000 existing Jan. 1, 1937, and which if uncovered on that date would have been without question chargeable to the sureties on the bond effective then, because the new bonds did not take effect until the next day, the court would not permit the evidence to go into the records, basing the decision on the case of School District vs. Herkenrath 155 Iowa, 275; 135 NW 1086.

New York Club Plans

Plans of the New York City Accident & Health Club for National Accident & Health Week, April 24-29, include a general sales meeting during the week immediately before the national week; a sales breakfast as in the past; displaying of the Accident & Health Week banner in the insurance district; sponsoring of a general advertising campaign; inception of a new activity, the Greater New York Accident & Health Production month which will cover the entire month of May. As in the past a producers' banquet will be held to honor the top producers of accident and health week. R. W. Pope, Employers Liability, is in charge.

ANCHOR CASUALTY COMPANY

St. Paul, Minnesota

Financial Statement—December 31, 1938

ASSETS

Bonds (Market Values).....	\$1,304,125.02
Stocks (Market Values).....	534,376.75
Cash in Banks and Office.....	180,085.77
Premiums in course of Collection (not over 90 days)	324,906.69
Accrued Interest on Bonds.....	15,845.56
TOTAL ADMITTED ASSETS.....	\$2,359,339.79

LIABILITIES

Reserves for:	
Claims	\$850,285.87
Unearned Premiums	693,513.15
Commissions	63,161.98
Other Liabilities	99,512.31
Contingencies	100,000.00
	\$1,806,473.31
Capital	\$250,000.00
Surplus	302,866.48
Surplus to Policyholders.....	552,866.48
TOTAL	\$2,359,339.79

OFFICERS and DIRECTORS

Harold P. Bend	A. L. Roach, Supt. of Agencies
W. J. Bohmer	G. R. Seeger
J. H. Ellison	W. G. Seeger, Vice President
M. L. Griffiths, Treasurer	David C. Shepard
Henry Guthunz, Jr., Secretary	R. B. Shepard
Verner A. Jensen, Supt. of Claims	Frank E. Struthers
C. O. Kalman	H. E. Wade, Vice President
W. L. McKnight	Eli S. Warner, Vice President
R. V. Mothersill, President	H. R. Weesner, Vice President
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CASUALTY PERSONALS

Frank R. Aikin and E. L. Duncan, assistant secretaries of Hartford Accident, recently celebrated their 25th anniversaries, having been associated with the company since the first year of its active operations in the field. Mr. Aikin heads the burglary department and Mr. Duncan the glass.

J. J. Parr, for many years a boiler inspector in Detroit for the Employers Liability, died following a long illness.

William M. Foster, 79, since 1923 a special agent for the Fidelity & Deposit of Maryland in Milwaukee, died following a heart attack.

Hartford Accident gave a dinner dance for its Chicago employees Tuesday. It was a Washington's birthday celebration and was well attended.

K. E. Carpenter of Chicago, northern department manager of Commercial Standard of Fort Worth, has gone to the head office to attend the annual field and departmental meeting. Accompanying him were Claims Attorney T. G. Jeffrey, Claims Adjuster R. A. Ran-

dolph, V. C. Kelsey and D. E. Townsend of the engineering department. The home office conference always promotes good feeling and is educational.

James White, Chicago casualty manager of Travelers, has gone on a Florida vacation near St. Petersburg.

Lynn Webb, 47, Kansas City lawyer, widely known as a casualty and surety attorney, died here. He was a member of the firm of McCune, Caldwell & Downing, which acts as counsel for the Central Surety.

Ray Murphy, assistant general manager Association of Casualty & Surety Executives, will speak at the annual award dinner of the Minnesota Safety Council in Minneapolis, April 11.

Leonard J. Januzzi of Detroit, special representative of Phoenix Indemnity, and Mrs. Januzzi have been vacationing for several weeks in Palm Beach, Fla.

Mrs. Lucy Morgan Brainerd, widow of Lyman B. Brainerd, former president of Hartford Steam Boiler, died at her home in West Hartford, Conn. Surviving are a son, two daughters and two brothers, one of whom, Morgan B. Brainerd, is president of the Aetna Life companies.

J. S. Zahn, chief accountant, European General Reinsurance, died following a four week illness. He had been associated with the company since its entrance into the United States. Funeral services were held in Metuchen, N. J.

Commission Cap on Finance Line

(CONTINUED FROM PAGE 3)

In that conversation, Mr. Beyer and Mr. Moore agreed to make an earnest effort to get the companies to agree upon a plan of control of finance business that would be acceptable to the commissioners and would avoid the necessity of holding the proposed public hearing.

Most of the insurance companies in the past year or so have been getting their finance accounts on a lower commission basis. If a survey were conducted today it would probably reveal that the average commission is considerably less than it was 18 months ago. This was the more or less natural result of economic pressure, because the finance accounts were becoming losing propositions, with the high collision losses. The finance companies lost their bargaining position with the insurers and it turned into a seller's market. A number of the insurance companies decided that it was futile to try to make anything out of the finance business and they divested themselves of all or nearly all of such accounts. Other insurers agreed to stay with the business but at a lower commission. Commissions have been getting lower and it

may be that the 30 percent figure, if actually enforced, will not represent such a sharp reduction as it would have 18 months ago. Nevertheless some of those close to the business are predicting that finance companies by the dozen will take steps to have their own insurance companies organized, if the 30 percent rule is actually put into practice.

In Texas when Commissioner Waters put an end to rebating, insurance adjuncts of finance companies sprang into being over night. During the past year 10 new domestic Lloyds were formed in that state, most of them being adjuncts of finance companies. For instance, Mossler Acceptance Company organized Standard Lloyds. W. E. Dean & Co. of San Antonio organized Universal Lloyds.

It is doubtful whether the transfer of ownership of Service Fire from D. F. Broderick of Detroit to Commercial Investment Trust is a direct outgrowth of the 30 percent commission decision. As a matter of fact, for the past two or three months, policies of Service Fire have been issued to those who financed the purchase of cars through Commercial Investment Trust and Universal Credit Company. D. F. Broderick is the broker on this business. It is understood that Service Fire is reinsuring the liability with the companies that previously wrote the business direct and whose policies were formerly issued.

Notable Tribute Is Paid J. A. Lloyd

(CONTINUED FROM PAGE 5)

peared and paid a notable tribute to Mr. Lloyd whom he has known for many years. The governor lauded the insurance men and extolled insurance as an enterprise.

The testimonial dinner to Superintendent Lloyd happened to fall on Mrs. Lloyd's birthday anniversary. A special musical number was rendered for her and the audience joined in congratulations and good wishes. Mr. Lloyd's father and mother and his two children were also introduced.

Mr. Lloyd's Address

Mr. Lloyd, in his address, said that "this is no time for feuds in the insurance world; no time to rock the boat. The air is filled with talk of federal supervision. No one can tell how real these threats may be. None of us wants federal supervision." Taken all in all, Mr. Lloyd stated, no business can stand close scrutiny better than insurance. It has met its obligations, fulfilled its contracts and in later years has withstood the ravages of depression better than in any other activity. He opined that there is no danger in size alone if strength is commensurate with size. The insurance industry, he said, has grown big in order to carry the weight of the American business and social structure, which has been built bigger than ever in history. This enterprise, he declared, must be kept free to serve free institutions and free men. It must not be shackled by bureaucracy at home or in Washington, he declared.

Insurance in Ohio

In Ohio the people are proud of Ohio insurance companies, he asserted. They may not be the largest but their record of management is conservative and their record of meeting their obligations is remarkable. People are proud of Ohio agents. They have gone about the business of putting their house in order and that work progresses surely but at times more slowly than they would like, he added.

Mr. Lloyd said that he had a new employer now, the policyholders or the public. He added, "the principles of high ethics in which you believe are mine. They are the department's. The rebater, the twister, the corner cutter have no place in this industry." While

the insurance code of Ohio, he said, is not perfect, it ranks high among those of other states. All in the insurance department, he declared, are pledged for absolutely fair, impartial and vigorous enforcement of the insurance laws.

It was pointed out by speakers that while Mr. Lloyd was secretary of the Ohio Association of Insurance Agents the insurance interests in Ohio worked more harmoniously together than ever before. He organized a steering committee, composed of representatives of all forms of insurance and all insurance interests, which considered legislation and threw its support to those measures which were deemed to be for the best interests of the insurance business as a whole. In this way, it was declared, dissension was averted and a united front in behalf of the insurance industry was presented.

Some of the company officials at the Lloyd dinner were Executive Vice-president Otto Patterson, American Automobile; Western Manager W. N. Achenbach, Aetna Fire; Western Manager E. M. Schoen, Atlas; Western Manager J. R. Cashel, Providence Washington; Vice-president Sherman Drake, National Surety; Vice-president Spencer Welton, Massachusetts Bonding; President V. V. Moulton, Automobile Owners Mutual, Michigan; Secretary Ira Morris, Buckeye Union Casualty; Secretary L. G. Purmort, Central Manufacturers Mutual; Vice-president R. Z. Alexander, American Automobile; Western Manager C. H. Smith, Hartford Fire; Vice-president W. T. Harper, Maryland Casualty; Secretary J. C. Hiestand, Ohio Farmers; President L. A. Dennis, Shelby Mutual Plate Glass & Casualty; Assistant Manager F. S. Dauwalter, National Board; Production Manager N. B. McCulloch, Globe Indemnity; Peter Malah, manager Chicago office National Bureau of Casualty & Surety Underwriters; Assistant Secretary Howard Jarvis, Travelers Fire; C. H. Keating, president, and W. H. G. Kegg, secretary Lumbermen's Mutual of Mansfield; Secretary C. F. Thomas, Western Underwriters Association; G. W. Brown of Chicago, general counsel American Mutual Alliance and former Minnesota insurance commissioner; R. W. Hukill, Norwood, O., most loyal grand gander of the Blue Goose; C. W. McNeil, Columbus, president Ohio Association of Casualty & Surety Managers; B. D. Lecklider, president Ohio Casualty, E. W. Dann, secretary Richland County Mutual; Secretary A. C. Hawes, Cincinnati Equitable; E. L. Rickards, Chicago, secretary National Automobile Underwriters Association.

Some of the men in public office present were Chairman O. W. Whitney, senate insurance committee; Executive Secretary Homer Trantham, Ohio Insurance Federation; Speaker W. H. McCulloch of the Ohio House; J. R. Crabbe, deputy superintendent of insurance; Ray Bates, chief examiner; Raymond Rhoades, assistant superintendent; L. U. Jeffries, Warden; W. A. Robinson, actuary; Virgil Martin, chief of the bureau of licensing and examination of agents, Ohio department.

Michigan Bonding Fund Proposal Is Advanced

The Michigan senate has adopted a resolution sponsored by Senator Porter which instructs the auditor general to report all surety bonds on state officials and employees, together with the premium cost to the state. The rules and resolutions committee unexpectedly reported the proposal. The resolution seeks information which might form the basis for creation of a state bonding fund similar to the state fire fund. The resolution demands a list of all fire policies on state property issued by private insurers it being pointed out that no such contracts are legal under the monopolistic fire fund law. Liquor stocks of the liquor control commission, warehoused in Lansing and Detroit, are understood to be covered by insurance placed with private carriers.

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POINTERS FOR LOCAL AGENTS

Gives Step-By-Step Advice in Preparing Survey

Charles F. Daniels, state agent Norwich Union, in a paper given before the regional gathering of Illinois agents in East St. Louis, gave some practical instruction on the preparation of a casualty survey.

The casualty section of an insurance survey, he said, is probably more important than any other division. This is due to the many classes of exposure to loss of casualty nature. Also, some of these exposures may reach the heights of catastrophes. Quite often these exposures deal with third-party bodily injury claims, cases in which it is impossible to forecast, with any accuracy, the extent of liability.

"Perhaps," he declared, "because of its importance the casualty section is difficult to prepare. Such preparation is rendered even more difficult by the fact that there is only one universally standard form of casualty policy—the workmen's compensation contract. There is the national standard automobile policy, but there is a tremendous volume of automobile insurance in this state written by companies not using that contract. Our job is not made any easier by the lack of uniformity in the language used by different insurance companies in policies intended to provide identical coverage. It imposes upon us the responsibility to study each policy carefully."

Preparation of Line Card

"The first step in the casualty section is the preparation of a line card or record of each policy. We should at least open up the policy, look at the declarations, see that the name of the assured and the street address shown are correct, and that the rates, premium, area, frontage, etc. are in order."

"We should make sure that the type-written insertions tie in properly with the printed part of the declarations. This is most important because the truth of the statements made in the declarations is the basis for the entire deal. For example, I can point to automobile policies in which the assured states that he has never sustained a claim on account of an auto accident, and yet how often is that true? A manufacturer's public liability policy carried by a brick factory contained a statement that the assured does not use or store explosives. Yet that concern had quarrying operations with occasional blasting. A manufacturer's public liability policy carried by a bakery contained a statement that payroll of drivers, chauffeurs and executive officers was not to be included in the premium computation. However, the item went on to say bodily injuries or death caused by such employees being excluded. Most manufacturer's P. L. policies exclude such payroll from the premium, but the insured is not deprived of coverage for accidents caused by such employees."

"We should be sure that the limits of liability are sufficiently high. There is a wide variety of combinations of per person and per accident limits which can be arranged for the same premium, for example: 25/50, 30/45, 40/40, 20/70, 15/100, 10/300."

"The survey should contain a brief description of the coverage afforded under each policy. This means that we must read the insuring agreements. We shall find some public liability policies in which the insurance company makes no

provision whatever about defending the insured, nor paying costs of defense and investigation. Other P. L. policies will provide that expenses of defense and investigation shall be lumped with judgments and settlements, and then be subjected to the limits of liability."

"Recently a hospital purchased a comprehensive liability policy, feeling that, amongst other things, it provided insurance against malpractice claims. That policy covered only against damages imposed upon the hospital by law on account of bodily injuries . . . accidentally suffered by a member of the public. It does not require a great stretch of the imagination to picture malpractice claims based upon negligence, omission of treatment, or improper diagnosis—rather than upon bodily injuries. An additional insuring clause became necessary to clarify the malpractice coverage."

"The survey should inform the client of those exclusions in his policies which apply to his particular business. Careful scrutiny is required because of the wide variety of exclusions found in these policies. One automobile policy issued in this state deprives the insured of coverage in the event of an accident which occurs while the car is being driven by any person under the influence of intoxicants. If we find such an exclusion in our client's automobile insurance, it should be brought forcefully to his attention. Nor should we pass up an opportunity to stress the fact that the

automobile policies which we write are not subject to this restriction."

"I believe that each survey should provide a section for recommendations—and this is where our ingenuity should bear fruit. Our knowledge of rules and rates can be applied here to improve the customer's present program. This is the time when we should call his attention to the fact that his robbery policy can be extended to provide 24 hour coverage, for a slight additional premium. This is the section in which we should call his attention to the drive-other-cars endorsement; to the fact that his residence burglary policy can be extended to cover a loss in his garage for a slight additional premium. Likewise we should recommend three-year term policies wherever there is a reduction in premium. We should be familiar with the "additional interests" rule in the public liability manual, so that the P. L. policy covers as many interests as are necessary in the case of the particular business."

"No survey is complete without a section devoted to uninsured exposures. For convenience, insurance against such risks ought to be classified, perhaps as follows:

"1. Vital—risks which subject the business to catastrophic loss. (Non-owned automobile P. L.—P. P.)

"2. Desirable—risks which, because of frequent occurrence, subject the business to moderate loss (plate glass).

"3. Available—risks occurring infrequently and then causing only inconsequential loss."

"Work in preparation of surveys will make you an improved agent. You will run up against problems which you yourself can't solve. You will ask advice. You will ask questions and the things you learn from one survey you will apply to others."

Advertising Saves Time and Work

An analysis of the various forms of insurance advertising was presented by Robert J. Walker, advertising manager of the Standard Accident, to the company's study club. Advertising creates public acceptance and molds public opinion favorably toward the product or service, he said. The insurance advertiser faces a peculiar problem as he is offering an intangible service—a promise to pay contingent on misfortune. The insurance buyer buys protection against something he trusts will not occur. Insurance advertising as a rule appeals to the instinct for security against misfortune. Some times a fear appeal is used. There is also the common sense appeal of avoiding inconvenience. All these center around the security appeal—security against the financial consequences of accidents and other hazards."

Most national advertising on the part of the companies builds confidence of the public in the institution. The same applies to advertising in local newspapers by agencies. Today a good sales letter is probably the best means of getting into direct communication with the prospective policyholder previous to a personal call, said Mr. Walker. Such a letter should contain the four advertising fundamentals of attention, interest, desire and action and prepare the way for the interview which often leads to a direct sale. Folders and blotters may be inserted in the agent's outgoing mail at practically no cost, and may be left at public meetings and gatherings and used with sales letters."

Although few direct sales result from

window displays, they serve to start the prospect thinking along proper lines and develop telephone inquiries. Good will advertising, such as novelties, calendars, etc., create a friendly feeling and in the case of a new prospect very often lead to a sale."

Serves to Identify Agent

The important function of agency advertising is to save time and work in selling, said Mr. Walker. When an agent advertises the people in his community gradually come to know him through his advertising. When he calls on them as prospects for the coverage he has to sell, they readily recognize his name and his mission. Favorable introductions are always helpful and selling and advertising provides them. Local agency advertising is particularly beneficial in the sale of seasonal coverages. Many agents have found it worth while to tie in advertising with local catastrophes, such as burglary insurance when burglaries are rife, and accident and automobile insurance advertising when there are an unusually large number of accidents."

An agent must follow up his advertising with personal calls if he is going to derive the fullest benefit from it. It is the only way to secure proper results. Advertising promotes confidence and creates valuable good will, but it must be backed by service, integrity and reliability."

Automobile Book

F. W. Doremus, who has been secretary of the American at the head office, and who now becomes associate western manager at Rockford, Ill., for the western department, wrote a book, "What to Know About Automobile Insurance." It gives a broad survey of present day

Buying Out of Style Declares H. E. Taylor

"Buying is out of style," H. E. Taylor, manager sales promotion department American of Newark, told the Passaic and Hudson county insurance associations and the Essex County Board of Underwriters recently.

Today the buyer expects homage in the form of salesmanship, he said.

The best prospects are present customers. Obtain or prepare a form which will facilitate an analysis of the various kinds of protection these customers may need and compare this with the kinds they now carry. Then try to secure tested sales letters to use in laying a good ground work and in preparing sales talks. Lastly, keep an experience record so that weaknesses may become known and corrected."

The average agent must write at least 10 percent new business each year to break even, said Mr. Taylor. That much old business is lost. Therefore, the agent must do some selling or eventually expire."

Not every person is a prospect, he said. An American agent told Mr. Taylor that he increased the returns from his household furnishings letter 25 percent by sending it only to women. This gave Mr. Taylor an idea for national advertising. The American inserted the head of a woman as an incidental part of the illustration and it increased the returns. The company enhanced the prominence of a woman in succeeding advertisements with a corresponding increase in returns."

Mr. Taylor expressed the belief that it is only a question of time when the bulk of the personal business will go to the agent who has been most active in the use of the insurance analysis idea. An agent should not be afraid to tell his customer about things he needs. Many of the so-called fire sidelines and the inland marine personal coverages remain unsold, he added, only because customers have not heard about them."

ANSWERS

Question—Can you tell us whether any of the surety companies are writing so called identification system bonds. A salesman of periodicals the other day called on me and displayed a bond written by National Surety that seemed to be in the nature of an identification of the salesman and probably guaranteed that any periodical that was ordered would be delivered.

Answer—Such bonds are written from time to time by surety companies, but only upon careful investigation. One of the principal difficulties is that the employer is not always able to get back from salesmen who are dismissed or who quit, the bond form in their possession. This creates an opportunity for such salesmen, who are dishonest, to go about, representing themselves as legitimate and extracting money from the public without making delivery."

One such bond that we happen to know about provides identification for repairmen connected with a safe company."

automobile insurance, analyzing physical and moral hazards involved in underwriting and loss adjustments. It points out the best practice for the producing agent to follow. It deals with all the lines written by fire companies. It is a very valuable book to have. It is sold by THE NATIONAL UNDERWRITER at \$1.50.

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Insurance Companies
Facilities for investigation and adjustment of all
types of claims, including automobile, fire, theft,
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Trial practice in all courts in northern and central
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**LYLE ADJUSTMENT COM-
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ELLIS BLDG., PHOENIX
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L. H. ANGELL & CO.
INSURANCE ADJUSTERS
Complete Company Service
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117 West 9th Street Los Angeles

J. P. McHALE & CO.
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for Insurance Companies
1031 South Broadway
LOS ANGELES, CALIFORNIA
Representing 45 insurance companies—
All Lines
Since 1915

F. E. Tidwell & Company
639 So. Spring Street
Los Angeles, Calif.
Trinity 0644
Investigations and Adjustments for the companies
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DIST. OF COLUMBIA

NICHOLS COMPANY
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Representing Companies Only — All Lines
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105 No. Loudoun St., Winchester, Va.
604 Mercantile Trust Bldg., Baltimore, Md.
Prompt and Efficient Service Since 1921

ILLINOIS

JAMES J. HERMANN
Claims Service
812 Insurance Exchange Bldg.
Wabash 6575 Chicago

**WILSON S. LEVENS
& CO.**
ADJUSTERS — ALL LINES
Insurance Exchange Bldg. Chicago

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision
Conversion, Liability, Property Damage
Inland Marine, Burglary
175 W. Jackson Blvd. Harrison 3230
CHICAGO

A. B. Litow—B. I. Hayman—A. M. Le Blanc
JOSEPH RICE & CO.
INVESTIGATIONS & ADJUSTMENTS
CASUALTY—BURGLARY—SURETY
958 Ins. Exch. Bldg. Phone: Harrison 8886
Chicago

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& CO.**
ADJUSTERS
Especially qualified through experienced train-
ing to handle all adjustments
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ADJUSTMENTS
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Investigations and adjustments in all insur-
ance lines.
Representing thirty leading companies.
Phones—Office 8184
Night 4-2051, 2-2251, 5027

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H. G. Friedmeyer, Paul E. Brown, Sec'y.
Pres. Night Phone
Drexel 5675 Hemlock 4002
Specializing in Personal Injury and Property
Damage Claims.
308 Indiana Trust Bldg.—Phone Riley 5840
INDIANAPOLIS, INDIANA

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BRANCHES
Evansville 414 Old Nat'l. Bank Bldg. Hammond 407 Lloyd Bldg.
Fort Wayne 550 Lincoln Tower South Bend 711 6th Fellows Bldg.
All Lines—Specializing in—Automobile—Inland
Marine and Fire.

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COMPANY**
AUTOMOBILE & CASUALTY
One Hour Service Anywhere
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136 East Washington St., Indianapolis

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Surety Adjustments
Eight, East Market Street
INDIANAPOLIS

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Investigations and Adjustments—Specializing Auto,
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& Trust Co. Bldg.
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Associate:
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Complete Investigating and Adjusting Service.
Representing Companies Only . . . All Lines.

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INSURANCE ADJUSTMENTS
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Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
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Prompt and Efficient Service Since 1921

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Insurance Adjustments
Main Office Fairmont, W. Va.
Cumberland, Md.
Liberty Trust Building

MICHIGAN

John C. Myers & Sons
Adjusters
1615 National Bank Bldg.
Detroit
Phone Cherry 2585
Branch—314 Phoenix Bldg., Bay City, Mich.
Phone 595
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All Risks

MONTANA

**MONTANA CLAIM & AD-
JUSTMENT SERVICE**
Automobile & General Casualty Lines
422 Ford Building
Great Falls, Mont.
Phone 7742

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With Branch Offices in Nebraska at Lincoln,
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234 Keeline Bldg. Office: Webster 2631
17th & Harney Sts. Res.: Kenwood 7411
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General Adjusters for the Companies
812-814 Second National Bank Bldg.
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Night and Holidays—Parkway 7390
Operating Southwestern Ohio, Northern Ken-
tucky and Southeastern Indiana

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Operating in S. W. Ohio—N. Kentucky—S. E.
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With associate staff and legal service.
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Phone Parkway 1808—Night & Holidays East 8990
General Adjusters for the Companies
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Phone 2-5460 Tulsa, Okla.

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National Bank of Commerce Building
Charleston, West Virginia
Phone 36-611 Night Phone 24-581

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Peery Building Goff Building
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Chesapeake & Ohio Bldg. Wheeling Bank and
Trust Building
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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Complete Program for Minnesota Mid-Year Meeting

MINNEAPOLIS—Spencer Welton, vice-president Massachusetts Bonding, has been secured as a speaker for the mid-year conference of the Minnesota Association of Insurance Agents March 7-8 at the Curtis hotel, Minneapolis.

E. M. Allen, executive vice-president National Surety, who was to speak on casualty business, will be unable to attend.

The committee looks for a total attendance larger than last year. Following is the tentative program:

Tuesday, March 7

Noon—Complimentary luncheon by Frank S. Rogers Agency, St. Paul; C. F. Liscomb, presiding; Governor Stassen, speaker.

2 p. m.—Conference called to order by President A. B. Caswell.

"Competitive Values," led by Dean Perry, state agent Fire Association fleet, Minneapolis.

"Practical Application of Competitive Values," G. E. Rolien, Milaca, Minn. Discussion by Dean Perry.

3 p. m.—"State Association and Its Value to My Agency," W. Herbert Stewart, Chicago, chairman surety committee, National Association of Insurance Agents.

3:30 p. m.—"Building of Fidelity, Surety and Casualty Lines," Spencer Welton.

4 p. m.—"Accomplishments and Plans of the B. D. O.," A. R. Menard, director, New York.

4:30 p. m.—"Yankee Doodle Goes to Town," courtesy Crowell Publishing Co.

Wednesday, March 8

7:45 a. m.—Local Board Breakfast, P. H. Ware, Minneapolis, chairman. Rural Agents' Breakfast, Francis E. McGovern, Rochester, chairman.

10 a. m.—"A Declaration of Principles," W. B. Calhoun, Milwaukee.

10:45 a. m.—"Time Insurance and Hospital, Medical and Surgical Reimbursement," Calvin Howe, Duluth.

11:15 a. m.—"Office Systems and Management," C. O. Brown, Rochester, Minn.

11:45 a. m.—"A Resident Agent Licensing Law," C. F. Liscomb.

12 noon—Luncheon, compliments of Northwestern Fire & Marine, and Twin City Fire, O. J. Eastman, presiding.

2 p. m.—"The Public, Your Silent Partner," by T. A. Fleming, National Board, New York.

2:45 p. m.—"The Selling of Casualty Insurance," John H. Egloff, Travelers.

3:45 p. m.—"Complete Coverage Contracts and Their Values."

4:45 p. m.—"Summary of State Association Activities and Program," A. B. Caswell, president state association.

6:30 p. m.—Annual dinner of Insurance Club of Minneapolis.

Home Officials Take Part in Gregory & Appel Fete

A delegation of Home of New York officials took part at Indianapolis in the 25th anniversary celebration of Gregory & Appel as representative of the Home. Headed by Harold V. Smith, president of the Home, representatives were taken through the new modernly equipped agency offices and then were guests at the home of Fred G. Appel, president.

Others from New York were Ivan Escott and George Allen, vice-presidents; Leonard Peterson, secretary, and H. A. Payne. C. D. Lasher, Pacific Coast manager, was present from San Francisco. L. V. Grady, New York, assistant secretary Home Indemnity, and L. J. Fischer, Indiana state agent were among guests. Newhouse & Sayre, general agents, were represented by Robert Newhouse, president.

The Gregory & Appel agency formed

in 1884 by John J. Appel and Fred A. Gregory, is conceded to be one of the Home's largest agencies. Ross E. Coffin, president Indiana Association of Insurance Agents, is treasurer of Gregory & Appel, John W. Twitty is vice-president and M. M. Waltman, secretary.

Bury Michigan Separation Bill

The bill to prohibit separation in Michigan that caused a stir, has been pigeon holed by the senate committee. This was done with the consent of the mutual company interests that were promoting the measure. The Detroit Association of Insurance Agents agreed to make its separation policy conform to that of the Michigan Association of Insurance Agents. It was the considerably more selective separation policy of the Detroit agents association that caused the mutual people to retaliate with a bill to prohibit any kind of separation. The mutual automobile insurance companies of Michigan were particularly interested. In the state, there has been no effort to separate against this type of company but the Detroit agents had moved to clear the agencies.

The agreement was reached at a conference that was attended among others by Charles F. Thomas, manager Western Underwriters Association; L. W. Smith of Grand Rapids, counsel for the W. U. A.; Commissioner Gauss, Damon Row, state agent Springfield F. & M.; V. M. Moulton, president Auto Owners of Lansing; W. E. Robb, secretary Citizens Mutual Automobile of Howell, Mich.

The Detroit Board subsequently ratified a resolution modifying the rule on clear agencies to conform with the state association's policy. The state organization requires that members shall not represent mutuals but specifically exempts specialty carriers and mutual life companies.

Commissioner Gauss, who attended the final meeting with the insurance committee, had voiced fears that a rate war might result if the bill were enacted. He expressed relief that such a possibility had been avoided.

Ohio Mutual Federation Meet

The annual convention of the Federation of Mutual Insurance Associations of Ohio is being held this week in Columbus, with several hundred mutual insurance men in attendance. Among the speakers are C. V. Campbell, Newark, president; Governor Bricker, Insurance Superintendent Lloyd, L. G. Purmort, Van Wert; Harry P. Cooper, Jr., Indianapolis. The Ohio Mutual Tornado & Cyclone Association also met this week.

Lumbermen's Mutual Reports

Lumbermen's Mutual of Mansfield, O., in its new annual statement, reports assets \$3,054,908, premium reserve \$1,641,713 and net surplus \$1,000,000.

New Rules Effective in Kansas

The various new rules and forms which have been introduced in W. U. A. territory during the past few months have been put into effect in Kansas. Included in the new forms are the "gross earnings" contribution use and occupancy form for mercantile risks, the "completed value" builders risk form and the civil authority clause. The new rule permitting pro rata reduction of amount of insurance on stock and fix-

tures has been put into effect, restrictions as to eligible classes for the extra expense form have been withdrawn and hotels and seasonal resort properties have been made eligible for term insurance. Minor changes have been made in a number of other rules.

Honor Ellis' 47th Anniversary

DES MOINES.—More than 400 local agents, field men and life-long associates joined with L. E. Ellis, head of the L. E. Ellis & Co. general agency here in celebrating his 47th anniversary in insurance in Iowa.

Company representatives attending included George McCagg, production manager Eagle Indemnity, New York; O. P. Rush, Kansas City, vice-president of Kansas City Fire & Marine; L. F. Van DeWall and J. B. Berkvam, Minneapolis, assistant secretaries Northwestern Fire & Marine and Twin City Fire.

Would Increase Wisconsin Tax

Much interest is taken in Wisconsin in the efforts being made by the state associations of paid and volunteer firemen to increase the tax on fire premiums in fire department towns for the support of those fire departments. At present there is a 2 percent tax on net fire premiums in such towns. Now a bill has been introduced to increase the tax to 2 percent on gross premiums, allowing no exceptions, not even for return premiums nor for dividends paid by mutual companies. It would even be a 2 percent tax on the entire deposit premiums of the factory mutuals. The fire departments have felt the pinch due to the fact that the premiums in Wisconsin have fallen off about 30 percent in the past 10 years on account of the depression and the decrease in average rate. A largely attended hearing was held the other day on the subject.

St. Louis Brokers Elect

ST. LOUIS—James F. O'Boyle of the Charles L. Crane agency has been elected president of the St. Louis Association of Insurance Brokers, succeeding H. G. Sawtelle, Maryland Casualty. Other new officers are: First vice-president, F. E. Maginty, L. W. Harlow & Co.; second vice-president, E. R. Smith, Maryland Casualty; treasurer, F. C. Steingraber, Maryland Casualty; secretary, A. H. Falkenhainer, Aetna Casualty.

M. & M. Detroit Agency Unchanged

DETROIT—The retirement of E. S. Raymond, veteran vice-president of the Marsh & McLennan agency here, which was announced recently, will make no immediate change in the set-up of the organization. Three vice-presidents remain—Phil G. Clifton, who is also general manager; F. V. Rudd and G. W. Hicks.

Mr. Raymond had been in the business 54 years, and joined the S. S. Glass Corporation about 1918. He was a vice-president when Marsh & McLennan took over the Glass Corporation 11 years ago, and he remained with the new organization in similar capacity, sharing with A. G. Crandall management of the casualty department. He assumed full charge of this department in 1934 when Mr. Crandall resigned.

Wisconsin Mid-Year Meet April 27

MADISON, WIS.—The mid-year meeting of the Wisconsin Association of Insurance Agents will be held here April 27. Walter Schar has been named general chairman. Holding the mid-year meeting in Madison when the legislature is in session affords the local agents an opportunity to visit with the senators and assemblymen. The original date was March 16.

IN TABLOID

William J. Ryan, president of the Fond du Lac, Wis., board, is chairman of the local agents' committee cooperating with the Wisconsin Fire Underwriters Association in staging a Business Development meeting here, March 9. George Stetner, Milwaukee, North America, is chairman for the field men.

In order that agents and solicitors may better know the purposes and benefits of the Cleveland Board, a pamphlet of questions and answers which explain its position and working structure has been issued.

The annual luncheon of the Insurance Agents Association of Kansas City will be held March 4. Superintendent Lucas of Missouri is expected to attend and talk. A representative of "Collier's" will talk on the advertising program of the National Board.

The Ohio Inspection Bureau is rerating townships in the Cincinnati area. It is expected that the work will require considerable time.

Arthur Mapes, Des Moines, special agent America Fore, spoke on inland marine insurance at a meeting of the Council Bluffs Association of Insurance Agents.

All insurance of Wayne county will be placed with the Richmond, Ind., Association of Insurance Agents, which will allocate policies to agencies. The county commissioners accepted the plan which the city of Richmond put in effect several weeks ago. Agents in the county who live outside Richmond, but are members of the organization, will share in the distribution of business.

Federal Judge Moinet of Detroit has issued an order directed against officers of the Lapeer Farmers Mutual Fire, Receiver W. G. Simpson, and Commissioner Gauss, to show cause why an injunction should not be granted blocking an attempted assessment of the association's membership.

Thomas L. Woods of Steubenville, has been appointed financial officer of the Ohio insurance division by Superintendent Lloyd. He succeeds William A. Marker of Van Wert.

At the Wichita, Kan., Insurers meeting reports were heard on pending legislation. Police Captain McCormick spoke.

J. J. Beall, vice-president Northwestern Mutual Fire of Seattle, spoke at a meeting of the Mutual Insurance Club of Columbus, O.

The Waterloo, Ia., Insurers Association has changed its name to the Waterloo Association of Insurance Agents. Newly elected officers are: D. E. Seger, president; R. J. Lichtey, vice-president, and B. L. Holton, secretary-treasurer.

Charles O. Minton, Wilmington, O., agent was kidnapped by two young men from Columbus. Three days later his abductors had been apprehended and on their pleas of guilty were sentenced to penitentiary terms of 30 years.

Glen L. Pickens, state agent Phoenix of Hartford, discussed inland marine at the meeting of the Dodge County Agents Association in Beaver Dam, Wis. A report on legislative activity was made by Hugh Bird.

Adjusting offices in Indianapolis and field men have been very busy with a multitude of small windstorm losses suffered by Indianapolis and vicinity when an unusually high wind struck the city one night and inflicted chiefly roof and falling tree losses.

Tom Leeming of the Chicago law firm of Eckert & Peterson addressed a dinner meeting of the Rockford Insurance Club on various aspects of the insurance law. The Rockford Insurance Club is a chapter of the Insurance In-

The Reliable
Fire Insurance Co.

Our
COOPERATION
With Agents
helps you make
More Money!



Hundreds of our representatives say it's easier to sell **RELIABLE FIRE INSURANCE** because of the **COOPERATION WE GIVE AGENTS**. Reliable representatives deal direct with our home office. This eliminates unnecessary correspondence and considerable expense. Our friendly "RELIABLE" officers give you every possible assistance in securing new business. Furthermore, they personally consider each of your individual problems. Naturally, such cooperation makes it easier for you to sell **RELIABLE FIRE INSURANCE—HELPS YOU TO MAKE MORE MONEY.**

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stitute of America and its members include employees of the western department of American and Surety of New Haven.

The B. D. O. luncheon meeting in Neenah, Wis., was attended by 47 agents and 14 field men. G. A. Strasen, American, presided as zone chairman. He was introduced by Harold Hanson, president of the Neenah local board.

The Kenosha, Wis., Association of Insurance Agents at its regular February meeting outlined activities for the year.

The Rockford, Ill., Board announces the date, June 9, as the time for its annual field day. It is to be held at theas

Rockford Country Club, and all insurance men are invited.

C. L. Gruner, former banker, has established an agency in **Benton Harbor, Mich.**

E. W. Irwin of **Asheville, O.**, has taken over the insurance business of the late C. F. Brinker.

R. H. Cravens, **Salina, Kan.**, agent, was elevated to grand master of the Kansas Masonic Grand Lodge.

The Central Securities Agency of **Newton, Kan.**, has purchased the Napier Agency.

S. L. Rice, Metamora, O., has been elected vice-president of the **Ohio Mutual Grain Dealers' Fire** of Columbus.

Paul Grundman, former county sheriff, has purchased an interest in the **Reichard Agency**, Knoxville, Ia. It will be known Reichard & Grundman.

IN THE SOUTHERN STATES

Program Announced for N. C. School

The program has been announced for the insurance school to be held at the University of North Carolina March 13-15 by the North Carolina Association of Insurance Agents. Since the inception of the insurance school idea in Florida, several state associations have followed suit, including the North Carolina group.

Sessions will begin at 10 o'clock in the morning each day and will continue until 10:30 in the evening, with the exception of the last day, when sessions will close at 4 o'clock in the afternoon. Highlights of the program will include an address of welcome by President F. P. Graham, president of the university, and an introductory lecture by Dean D. D. Carroll of the university school of commerce.

Following is the program as announced:

MONDAY

Instructions, President Thomas O'Berry; Address of Welcome, F. P. Graham, President U. of N. C.; "Economic Phases and Functions of Insurance," D. D. Carroll, Dean, School of Commerce, Un. of N. C.; "Insurance Analysis and Surveys," Clarke Smith, Royal-Liverpool Group; "Hail and Rain," Manley Stockton, Hartford Fire; "Personal Accident Insurance," R. C. Larson, Aetna Casualty; "Liability Coverage" (excluding automobile), J. L. Barter, Hartford Accident; "Business Interruption," (Use and Occupancy), C. A. Snow, Phoenix of Hartford; "Successful Selling" (Motion Picture Illustration), F. W. Potter, Aetna Casualty.

TUESDAY

"Extended Coverage Endorsement" (Supplemental Contract), Thomas Linthicum, America Fore; "Liability" (Auto), H. D. Sherwood, Travelers; "Inland Marine" (Bailees' Coverages), E. Dana Johnson, Atlanta manager McGee & Co.; "Agency Office Management and Routine," Oscar Beling, Royal-Liverpool Group; "Automobile Insurance" (Fire), Arthur Davenport, North America; "Surety and Fidelity Bonds and Forgery," L. E. Mackall, National Surety; "Inland Marine" (All Risk), Manley Stockton, Hartford Fire; "Boiler, Machinery and Business Interruption," D. W. Little, Hartford Steam Boiler.

WEDNESDAY

"Court & Fiduciary Bonds," J. D. Williams, U. S. F. & G.; "Miscellaneous Coverages" (Fire), C. A. Snow, Phoenix of Hartford; "Burglary, Robbery and Glass Coverage," H. D. Sherwood, Travelers Casualty; "Contract Bonds," H. P. Bloodworth, Fidelity & Casualty; "Inland Marine" (Transportation Coverages), E. D. Johnson, McGee & Co.

Ferguson Heads Dallas Unit of Oil Association

Charles W. Ferguson has been appointed manager in Dallas for the Oil Insurance Association for Texas. Mr. Ferguson has been special representative in the southwest for the association the past 11 years. Prior to that time he spent four years in the special hazard division of the Illinois Inspection Bu-

reau, and three years in the research department of one of the major oil companies.

Mr. Ferguson will supervise the business in Texas, Louisiana, Arkansas and New Mexico.

Vote on New Florida Plan April 4

The Florida Insurance Agents Association at its annual meeting in Hollywood April 4 will vote upon the proposal for a new cooperative agreement with the various local boards, containing the provision that the state and local units shall enforce a rule requiring members to represent only companies that belong to the Southeastern Underwriters Association.

In January, 10 members representing seven local boards, at a meeting in Tampa, drafted a proposed cooperative agreement that was then submitted to the executive committee which was in session at the same time. The executive committee authorized submission of the plan to the various local boards.

The agreement calls for all local boards to operate under a charter granted by the state association and requires that all members of local boards must be members of the state and national units. Association members would be required to cooperate in enforcing the provisions of any local board constitution and by-laws after the alleged violation has been reviewed and sustained by the state executive committee.

Carter Hits Cooperatives; Says Agents Are Merchants

B. P. Carter of Richmond, Va., manager for a group of fire companies, addressed the joint convention of the Virginia Association of Retail Clothiers & Furnishers and the Men's Apparel Club of Virginia at Old Point Comfort, on the consumer cooperative movement and its relation to capital stock insurance.

"We are merchants, too—capital stock insurance merchants," he said. "Capital stock insurance represents one of the major units of the American system of business. Since the cooperatives are trying to upset the American system of distribution, our problems and the problems of other retail and wholesale merchants are very similar. Home offices of capital stock insurance companies are comparable to their factories; general agents, managers of a territory and state agents comparable to their wholesalers, jobbers of factory sales representatives, while the local representatives may be compared with the local retail merchants. Every local representative of capital stock insurance is a merchant—a retail insurance merchant. If the several thousand stock insurance men and women in the state buy merchandise through consumer cooperatives, and commodity merchants buy indemnity through insurance cooperatives, we are combining to put each other out of business."



NATIONAL UNION

FIRE INSURANCE COMPANY

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Birmingham Drops Single Agency Rule

BIRMINGHAM, ALA. — The Birmingham Association of Insurance Agents has abolished its single agency rule. The \$250 deposit required of new members, on which a levy could be made to pay fines for infractions of rules, has been abolished. New members in the future will pay a \$50 initiation fee which will go into the general fund.

In addition the association is opening up membership to agency solicitors. They already have been invited in on an optional basis but an amendment may make membership compulsory, allowing solicitors also to hold office.

W. R. Mizelle, president, said these changes are designed to draw more members into the association and make it more fully represent stock insurance interests. Heretofore the association has represented 80 percent of the volume of business written, but probably not more than 50 percent of the agents.

Abortive efforts have been made in the past to change the single agency rule. Three years ago the executive committee voted to abrogate the rule, but was overruled by a single vote.

Warren Is Tampa President

TAMPA, FLA.—The Tampa Insurers Exchange has elected J. W. Warren president to succeed Thomas Houlihan. For the Tampa agents O. P. Stallings presented T. T. Stark, retiring Tampa manager of the Florida Rating & Inspection Bureau, a set of silver goblets. Officers and directors of the Florida Insurance Agents Association, who were in session the day of the meeting, were special guests.

Florida Local Boards Elect

The Fort Meyers (Fla.) Underwriters Association has elected these officers: President, Martin Schultz; vice-president, J. H. Ragsdale; secretary, E. S. Hutchins, treasurer, Mrs. Mae Matthews. The board has adopted the "in and out" rule. Other local board elections certified to State Secretary Eifler's office are: St. Petersburg, J. L. White, president, and John Wallace, secretary, reelected; Sarasota, M. C. N. Prue, president, H. V. Tamlyn, vice-president (reelected); Ruth Collier, secretary. J. A. Crossway and H. C. Haynes were reelected president and secretary at Lakeland.

Plan for Georgia Meet

AUGUSTA, GA.—T. W. Alexander, president Augusta Board, has appointed committee chairmen for the annual convention of the Georgia Association which will be held May 18-20.

Louisiana Approves New Forms

NEW ORLEANS.—The Louisiana insurance commission has approved the standard windstorm policy, which has been in use in the east and south for many years, as standard in this state. The commission also has approved a revision of the form used in writing

builders' risks, improved particularly in respect to inflammable floor surfacing warranty. A working materials clause adapted to builders risks has been incorporated.

The new schedule approved for the rating of canning factories in Louisiana is similar to the schedule approved some months ago by the Southeastern Underwriters' Association.

Set Alabama Agents' Meeting

The Alabama Association of Insurance Agents will meet in Birmingham, probably May 18-19. The ex-presidents dinner will be held the previous evening. In addition to company speakers, two or three agents probably will discuss their sales methods. Legislative affairs will occupy much attention.

Anderson Heads General Agency

LITTLE ROCK, ARK.—In a reorganization following the death of Robert W. Newell, the managing partner since 1931, A. M. Anderson has become chief officer of Anderson & Newell Co., successor to Cunningham & Newell Co., general agents. His partner is Frank W. Newell, Little Rock newspaper man and son of R. W. Newell. Mr. Anderson purchased the interest of Mrs. Anna R. Cunningham, widow of C. T. Cunningham, who established the agency in 1926.

Mr. Anderson came to Little Rock in 1919 and was associated with M. W. Hardy in a general agency business. He purchased the firm in 1929 and changed its name to Anderson & Co. Later, he was state manager of Fidelity & Casualty and in recent months served as assistant to Mr. Newell in management of the general agency.

Dallas and Houston Fire Records

Fire loss in Houston for 1938 was about \$840,000 or more than double the 1937 record of \$406,131. In Dallas the 1938 fire loss was \$480,000 as compared with \$488,236 the year before. Leaders in Dallas have been hoping that the record there would enable the city to get the maximum good fire record credit of 20 percent but this will not now be possible. Dallas will continue to get a credit of 15 percent.

NEWS BRIEFS

Frank A. Hobson, Richmond, Va., agent, went into bankruptcy listing liabilities of \$59,134 and assets of \$87.

The Oklahoma B. D. O. conducted a series of meetings covering Chickasha, Duncan and Walters under direction of Z. M. Lang, zone fieldman chairman.

The Oklahoma City Insurers Exchange has before it now an amended form of the in-and-out rule which evidently refers to all companies except life, accident and health. It will be voted on Feb. 27. The present in-and-out rule applies only to fire insurance. At the meeting Monday there was considerable discussion regarding the amendment.

L. C. Lemen, San Juan, Tex., has opened an agency.

H. A. Washington and J. Hamil Bowen, well-known in the insurance circles of Memphis, have become associated with M. L. Martin & Co. there.

J. D. McCarthy, Jr., Chattanooga agent, has merged his business with that of C. V. Brown & Bro. W. C. Brown is president of the Chattanooga Exchange.

The LaFayette agency, Tampa, Fla., has been incorporated by H. A. Whittemore and M. Aronovitz.

Lamar Mitchell, vice-president of the Memphis Insurance Exchange, has been elected president of the B-Line Oil Co.

R. M. Golder, manager public official and local departments of New Amsterdam Casualty, died suddenly at his home in Dickeyville, Md. He was at one time with the Fidelity & Deposit.

W. F. Rockwell, president of Pittsburgh Meter Company and other concerns, and A. B. Wallace, president Consolidated Dry Goods Company, Springfield, Mass., have been elected directors of American Mutual Liability.

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OF HARTFORD, CONNECTICUT

Cash Capital, \$6,000,000.00
Surplus to Policyholders, \$44,807,871.44

COAST

New Builders Risk Forms for Mountain States

DENVER—The Mountain States Inspection Bureau has approved a new builders risk completed value form based on value at completion, with 55 percent of that amount as the average amount of the risk. In the past, the insurance was written for a specific amount for a definite term, or under the old reporting form a statement of values was required every 30 days, and the policy endorsed at that time. The bureau is also getting out a new builders risk reporting form with automatic coverage. Use of the forms is optional.

Another rule provides for pro-rata reduction of amount of insurance, designed to take care of merchandise stock fluctuations. It permits cancellation of up to 50 percent of the maximum amount of insurance effective under a policy at any one time. The form requires endorsement.

The pro-rata term insurance rule in connection with public properties, churches and schools has been modified, eliminating the coinsurance requirement.

The extended coverage endorsement is extended to cover certain additional classes of property. A new vandalism and malicious mischief endorsement is provided for single state reporting forms.

Pass Tax on Gross Premium in Washington Legislature

Commissioner Sullivan's "Department Request" bill, which has been passed by the Washington legislature provides for a 2 1/4 percent tax on gross life premiums less reinsurance received, and 2 1/4 percent on gross fire and casualty premiums less return premiums and reinsurance received. It is not expected that the new act will materially increase premium tax receipts.

New Zealand Head Arrives

General Manager Johns from the head office of the New Zealand Fire with headquarters at Auckland is arriving in San Francisco this week. He was on a

vacation in Hawaii when he heard of the sudden death of United States Manager W. A. Louis at San Francisco. He, therefore, secured passage at once to San Francisco.

Perry Speaks at Aberdeen

ABERDEEN, WASH.—At a special meeting here of Grays Harbor County Agents Association P. J. Perry, insurance manager for King County Insurance Association, spoke. Frank O. Dole, president, presided.

NEWS BRIEFS

Bowles, White & Brink is the new name of Bowles & White, Seattle, Wash. Howard Brink, vice-president, has been made a partner.

At the Portland, Ore., Exchange meeting legislation matters were discussed.

Arnold Huppert, Helena, Mont., secretary of Montana Association of Insurance Agents suffered an extra cold bath

when he broke through the ice in crossing the Yellowstone River. He and party were after white fish.

Ben F. Shapro, former San Francisco general agent for the Connecticut Mutual Life, has entered the brokerage business with Watkins, Shapro & Weingetz, San Francisco. Ernest Watkins of the firm was assistant general agent under Mr. Shapro.

H. K. Dent, president of the General of Washington and other home office officials were in Denver for a meeting with members of the local office.

Walter Kulp and L. A. Barley of the Mountain States Inspection Bureau are leaving Denver Feb. 27 to attend the cotton conference at New Orleans. Mr. Barley has returned from a vacation in the Hawaiian Islands.

Burt W. Richards, until recently head of Gerlinger-Richards Company, Portland, Ore., has left on a trip to Africa.

The Federal Fidelity Fire, a mutual, has been incorporated in Seattle, Wash., by Z. A. Vance, A. W. McClure and C. E. McCormick.

IN THE CANADIAN FIELD

Automobile Rates in Ontario Increased

TORONTO — Increases in automobile insurance rates ranging from 10 to 20 percent will become effective throughout Ontario on March 1. A marked increase in public liability and property damage claims was said to be responsible. Rates for these coverages in Toronto, Hamilton and Windsor have been increased 10 percent. In those cities there is no change in the collision and theft rates. At the same time a reduction of 20 percent in fire insurance is made. The average increase is between 7 and 9 percent.

In Kingston, London and Ottawa there is a 10 percent increase on liability and property damage. Collision rates are unchanged except for the \$50 deductible, which is increased 10 percent. Theft and passenger hazard rates remain unchanged.

The sharpest increase is in the property damage rate in such towns as Cornwall, Galt, Barrie and Sarnia. Liability is up 10 percent and property damage 20 percent. There is no change in the full coverage or \$100 deductible collision, but the \$25 deductible is up 10 percent and the \$50 classification 20 percent.

Increase in Quebec Auto Rates

MONTREAL—A report that automobile insurance rates would be further increased this year, despite the fact that a 25 percent increase on public liability coverage was put into effect last year in Quebec province, has now become practically a certainty. New rates to go into effect on March 1 are expected to call for an increase of from 20 to 25 percent not only on public liability but also on property damage and collision.

January Fire Losses Reported

TORONTO—January fire losses in Canada totaled \$2,776,400, compared to \$2,036,040 in December and \$3,081,000 in January, 1938.

M. H. Crone Is Advanced

M. H. Crone, who becomes Ontario manager for Robert Hampson & Son group, comprised of the Maryland Casualty, Fireman's Fund and Home Fire & Marine, has been fire special agent traveling out of the Toronto office since February. He was born and educated in Toronto. He entered the insurance business 17 years ago with Murphy, Love, Hamilton & Bascom. He then went to the Canadian Fire Underwriters Association, serving for five years and then to the fire department of A. E. Wilson for three years. He was con-

nected with the Security group for three years.

George Eaton becomes special agent for Hampson & Son. He joined the firm in Montreal in 1925, and has worked through the various departments.

Collision Rates Increased

Premium increases ranging from 10 to 25 percent on automobile deductible collision have been announced by the British Columbia Underwriters' Association. No increase in liability rates will be made this year.

Lavigueur Named Inspector

The Western-British America group has promoted R. F. Lavigueur to inspector for the province of Quebec.

No Policies Issued on Royal Visit

TORONTO—The rumor that people in Montreal are insuring heavily with Lloyd's of London against the King and Queen of England not being able to come to Canada on their arranged trip in May has been denied by a Lloyd's representative. No single policies have been issued. Such insurance can be secured by concerns making souvenirs. The rate is 18 percent. The rate on the failure of the King and Queen to attend the special functions to be held in their honor in Montreal is 25 percent.

Celebrating Its Anniversary

MONTREAL, CAN.—Adjusters & Appraisers, is celebrating its 25th anniversary. G. A. Bayles, the founder, is still president and managing director. It has branches in Ottawa, Quebec, Noranda, Chicoutimi and Riviere du Loup.

Garrett Defines Agents

Superintendent Garrett, of British Columbia has ruled that an insurance agent is the representative of a company, while an insurance salesman represents only the agent named in his license who is his employer. A salesman can't sign a policy, or deal directly with a company or an agent, and cannot broker any business.

New U&O Rules in Canada

The Canadian Underwriters Association has issued new rules and rates for use and occupancy insurance in Ontario and Quebec. Several new forms have been issued and old ones revised. The per diem form has been replaced with a weekly form and as an alternative the 80 percent coinsurance form which has not been in use is now being suggested. Use and occupancy may now be writ-

ten for tuition fees, commissions of selling agents and extra expense insurance.

Blake Retires After 50 Years

Arthur W. Blake, who has been branch manager of the London & Lancashire in Vancouver, B. C., has retired after 50 years of service.

Independents Organize

To improve business standards, ethics and methods and to assist support the operations of the British Columbia Insurance Board, the representatives of unaffiliated companies have organized the Independent Insurance Agents Association of British Columbia. They will act in an advisory capacity in assisting the superintendent of insurance regarding applications for agent's licenses. John Donald, Westminster, is president.

Canadian Notes

S. Edgehill, formerly of the Canadian Underwriters Association, has been appointed Montreal inspector for the Union of Paris.

Chilliwack General Agency, Vancouver, B. C., will hereafter be known as Mortimer Carr Agencies. This change followed the death of Edwin C. Smith.

J. A. Thomas, British Columbia fire marshal for 23 years, is retiring March 31. He is now on sick leave. W. A. Walker, now deputy fire marshal, will succeed him.

MARINE

A. L. Phillips Named Assistant

A. L. Phillips has been appointed assistant to F. J. Shields, marine manager of the National Union and Birmingham Fire in Chicago. Mr. Phillips has been in the Cook County office there for six years in loss and underwriting work, associated with I. C. Faber, Cook county manager.

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EASTERN STATES ACTIVITIES

W. Va. Agents Fight Rate Legislation

R. D. Watts of Beckley, president of the West Virginia Association of Insurance Agents, is leading a spirited fight



R. D. WATTS

to defeat the bills that have been introduced in the legislature for fire insurance rate control through an audit bureau to be established in the insurance department. The companies would be required to make daily reports to the bureau on business written and would be required to report both losses incurred and losses paid. An extra tax of one half of 1 percent of net premiums would be imposed to pay the expenses of this bureau.

The legislation is an outgrowth of the crusade conducted against fire insurance companies by H. C. Ogden in his 17 newspapers in the state. It is understood that some time ago Mr. Ogden had a dispute with some of the fire companies about the rate on one of his properties. From time to time he has printed a series of articles claiming that the fire companies have been making inordinate profits and demanding that rate control be imposed.

Sims Works for Legislation

The bills are sponsored by Commissioner Sims of West Virginia and he is actively working for their passage. An attempt was made to get an agreement for a satisfactory compromise but that effort failed a week ago Tuesday. Mr. Watts was confident that the compromise would be entered into and he advised the members it would not be necessary for them to appear for the hearing that was held a week ago Tuesday. He did not even make the trip himself. When the compromise effort blew up, the agents' association made an attempt

to continue the hearing, instead of presenting its objections on that occasion. A joint public hearing before the senate and house insurance committees was held in Charleston Monday evening of this week.

The West Virginia Association of Insurance Agents has put in the hands of each legislator a statement of the insurance side of the picture. Emphasis was placed on the fact that the National Board standard method of classification of premiums and losses has functioned satisfactorily for many years. That work is conducted at a cost of about \$250,000 a year with 150 persons being employed. Most commissioners accept this information to their satisfaction. To establish a similar bureau in West Virginia would duplicate the work that is already being done at a greatly increased cost and with no material benefit, the agents' association contends.

The association has also prepared a detailed analysis of the bills, setting forth the objections specifically. For one thing the analysis declares that the commissioner at present has ample power to call upon the insurers for any and all statistical information that is reasonably necessary in making rates. Reference is made to voluntary rate reductions made by the companies in August, 1933, August, 1936, and September, 1938.

The analysis states that many loose statements have appeared in the newspapers comparing West Virginia rates with those in Ohio. Conditions in Ohio have warranted the fact that the lowest average fire rates of any state in the Union are found there. The rating statute in Virginia for the past 20 years contains all the important provisions of the Ohio rating statute plus other provisions giving the West Virginia commissioner broader powers than those possessed by the Ohio superintendent.

The point is made that the proposed legislation is predicated on the theory that loss experience by classes is the sole factor to be taken into account in rate making. As a matter of fact, the agents point out, sound rate making must take into account public fire protection, structure, occupancy and exposure hazards.

The bills take into account the individual experience of companies and this might result in a single company being ordered to reduce its rates. That would produce chaos, the agents point out.

A detailed comparison of the West Virginia and Ohio fire insurance rating statutes has been prepared in printed form and is being circulated. A 16 page

bulletin "Fire Insurance in West Virginia, How It Works—How It Serves," has been published. Member agents are implored to interview their local legislators personally. At Mr. Watts side in this battle are H. S. Ellis of Huntington and George Robson of Charleston, chairman legislative committee.

Policyholders Assessment of \$112,595 Approved

SHARON, PA.—Policyholders of the Beaver County Mutual will have to pay \$112,595 assessment as the result of a decree in Dauphin county court here. The Mutual was dissolved by court decree in March, 1936.

The liquidator asked the court to approve \$28,148 assessment against policyholders with 300 per cent added to provide for costs of collection and distribution. Policyholders filed exceptions against the liquidator's petition. The court ruled the assessment and additional 300 percent be granted.

Thomas Heads Special Pittsburgh Committee

John M. Thomas, president National Union Fire, is chairman of the committee seeking to make effective a cost control plan for Pittsburgh. The unlimited appointment of agents, and the payment of full commission to non-policy writing representatives has made excessive business acquisition cost in the city, and the plan now offered, if accepted, should bring commissions within bounds.

Increase Salary, Cut Out Fees

In lieu of having fees for handling liquidations being paid to the New Jersey insurance commissioner, a bill has been offered in that state to increase the salary of the commissioner to \$15,000 a year and to have the fees revert to the state. The present salary is \$6,000.

Eddy New Jamestown Head

JAMESTOWN, N. Y.—E. E. Eddy was elected president of the Jamestown Fire & Casualty Underwriters. Other new officers are: C. L. Rowley, vice president; A. W. Glatz, secretary, and W. E. Stevens, treasurer.

H. D. Rice Is Given Recognition

H. D. Rice has been elected assistant general manager of the New York Fire Insurance Rating Organization. He continues to function as manager of the Buffalo division. He started with the Buffalo division in 1912 and then later after several years experience in local and special agency work he returned to the Buffalo division as manager in 1935.

MOTOR

State Farm Group Enters Auto Finance Field

In recognition of what is said to be a trend in the field of automobile financing, the State Farm Mutual Automobile Company announced at its annual convention this week in Chicago that it was pledging its cooperation and assistance to local banks in the financing of automobile purchases.

It is issuing special policies to meet the insurance requirements of automobile purchasing transactions and to provide for completion of the payments in event of the death of the policyholder. The death policy will be issued by the State Farm Life.

"We believe that the financing of these purchases should be done through local banking facilities in the same manner and on the same terms as any other extension of credit with equal security," the company states.

In the opinion of the State Farm group, the local banks, in addition to being able to handle this business at much lower cost, have the added advantage of avoiding much of the risk encountered by the large finance corporations.

N. J. Women in Anniversary Meet

The first anniversary meeting of the Insurance Women of New Jersey was held in Newark with an attendance of more than 75. Mrs. Cristine B. Nolan of Paterson opened the meeting and then turned it over to Miss Bertha L. Collins of the Hughes Agency of Montclair, chairman program committee. Miss Claire McCurrey, General Brokerage Company, Paterson, provided the entertainment from the organization ranks. Miss Blanche Solnick of the DeMattia-O'Brien agency of Passaic was appointed employment chairman and Miss Harriet Hotchkiss, Schedule Rating Office, research. The membership is now 20, starting a year ago with 14. At the next meeting March 16, Assistant Manager H. K. Schaffler of the National Board will be the guest speaker.

Farmers Mutual Hail of Iowa has applied for admission to Ohio to write hail insurance on growing crops.

About 100 attended a Business Development meeting in Sioux City, Ia., of which Fred E. Brake, Great American, was field chairman and H. P. Pratt, Sioux City, agency chairman.

J. M. B. PETRIKIN, Vice-President
G. N. GARDNER, Vice-President

J. R. GARDNER, President

D. A. HOLADAY, Treasurer
HAZEL O'NEILL, Secretary

Thirty-fifth Annual Statement THE MERCHANTS FIRE INSURANCE COMPANY DENVER, COLORADO DECEMBER 31, 1938

ASSETS		LIABILITIES	
Cash in Banks and Office.....	\$ 103,154.07	Reinsurance Balances.....	\$ 34,966.06
Bonds (at amortized value)—		Loss Claims in Process of Adjust-	
U. S. Government—		ment (Less Losses Reinsured	
Direct and Fully		\$26,427.70)	86,194.61
Guaranteed	\$ 462,159.27	Accrued Taxes and Expenses.....	47,679.27
State	74,717.49	Reserve for Unearned Premiums..	1,125,062.45
Municipal	1,397,084.57	Reserve for Possible Loss on Real	
Real Estate	22,740.00	Estate Loans and Accounts....	9,052.62
Total Bonds	1,956,701.33	Voluntary Reserve	100,000.00
First Mortgage Loans on Real		Capital Stock	400,000.00
Estate	287,829.63	Surplus	\$ 830,272.39
Accrued Interest on Bonds and		Less Assets not ad-	
Loans	15,267.18	mitted	19,752.96
Agents Balances and Accounts...	226,458.63		810,519.43
Real Estate	24,063.60		
If bonds were valued at market, Assets	\$2,613,474.44		\$2,613,474.44
would be increased by \$63,012.92			

POLICYHOLDERS' SURPLUS \$1,210,519.43

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(CONTINUED FROM PAGE 3)

ful study of the client's uninsured fire and inland marine exposures.

These exposures he said might be cited in three groups—extra hazardous, hazardous, and non-hazardous.

The "Dauwalter formula" for measuring the security of a fire insurance company was outlined by Wallace W. Rodgers, Chicago, assistant manager Western Underwriters Association.

Pointing out that many people have come to the erroneous conclusion that state regulation and licensing of a company is a sufficient guarantee of its solvency, Mr. Rodgers maintained that many do not know that the state is compelled to issue a license where a carrier complies with the minimum statutory requirements and that a license does not guarantee future solvency. The amount of outstanding liability has been suggested by some as the proper yardstick of gauging a company, but Mr. Rodgers rejected this because it is susceptible of wide distortion. A risk of \$100,000 on a fireproof building in a protected city would not ordinarily involve as great a loss potentiality as the acceptance of \$10,000 on an unprotected saw mill. Further, a company writing \$10,000 against the hazards of fire, tornado, riot, sprinkler leakage and earthquake on one piece of property might be cited as having five times as much liability as one writing \$10,000 fire insurance only on an identical risk, but still the first company could not sustain a total loss in excess of \$10,000. Unearned premium reserves are also not a satisfactory basis in gauging a company, because of difficulty in determining whether the business is annual or term.

Principles of the Formula

The "Dauwalter formula," continued Mr. Rodgers, recognizes the premium reserve and policyholders surplus, with real estate, mortgages and other slow assets deducted, to net premium writings as the sound basis for estimating the security provided by a company.

Mr. Rodgers also reviewed the Business Development work during the past year, pointing out that the insurance industry has become articulate and that agents and company officials alike have awakened to the need of acquainting the public with what stock fire insurance has to offer. Educational zone meetings have been held and the zone committees have worked with agency groups in the conduct of the meetings, in public relations works and in assisting groups in meeting competition on public property. During the coming year the new contracts of stock fire companies will be publicized and the zone meetings will be continued. As an indication of what is being done, Mr. Rodgers pointed out that agents of capital stock fire insurance companies in the 15 W. U. A. states wrote 34.6 percent more pre-

miums in 1937 than at the low point of 1933, and only 9.7 percent less than the relatively good year of 1930, despite reductions in the average fire rate of more than 25 percent.

Gatherings at Noon

During the noon interval a number of luncheon conferences were held, those in attendance having the choice of several such gatherings. Rural farm agents met with W. A. McNeil, farm special agent Home, Peoria, as the chief speaker.

Collections and premium financing were discussed with Tim E. Dowling, East St. Louis general chairman Region Six Institute, and H. B. Banks, First Bancredit Corporation, St. Louis, as the speakers. A forum on the essentials of an insurance survey was held with Mr. Nansen and Mr. Luther as the speakers. Local board and business development was the topic of another session with Mr. Rodgers as the speaker. Casualty and surety subjects were considered with George H. Moloney, vice-president Hartford Accident, Chicago, leading.

The new standard fire policy was the subject of a gathering with T. A. Barbee, state agent North America, Springfield, and Thomas Kingsley, manager Travelers Fire, St. Louis, as the discussants.

The first speaker at the afternoon session of the main meeting was Thomas J. English, an independent adjuster of St. Louis. He discussed the auto comprehensive policy, automobile fleet underwriting, coinsurance clause, co-operation between agents and adjusters, safety work and self-insurance. He urged sale of the comprehensive contract under all circumstances, pointing out many of the unforeseen losses which are not covered by the fire and theft policy, but which actually have been paid under the comprehensive contract. On fleet underwriting, he stated that the most frequent cause of trouble is found in improper amounts of insurance. Instead of relying upon invariable percentages in arriving at approximate values, plus so-called improvements, Mr. English suggested that agents and brokers keep in close contact with truck distributors to determine the fair value of equipment and to make regular check appraisals.

Apply Self-Insurance Methods

Wherever a risk becomes a self-insurer, Mr. English continued, it invariably shows a good experience, which would indicate that it had not been properly handled by the agent or broker. To offset this, Mr. English urged that the agent spend more time on the risk, on the theory that this additional time is probably less than an agent would have to spend to get another risk to replace it. Any unusually large number

of claims of a certain type should be discussed with the assured at once. The methods of firms using self-insurance should be employed and regular loss reports should be made to the employer every month.

Non-ownership automobile liability insurance was reviewed by J. T. Casey, St. Louis, agency supervisor American Automobile. Pointing out that a large majority of the legal actions for damages pending before the courts today involve automobiles, Mr. Casey reviewed the legal theories on which a person or corporation may be held liable for accidents involving automobiles not owned by him. He emphasized the need of employers non-ownership liability insurance for every employer, even though his employees may not regularly drive their own cars in business. Attempts to prohibit or regulate the operation of automobiles by employees are not an effective substitute for insurance, he maintained, because violation of instructions by employees will seldom be held by the courts to relieve the employer of liability to third parties.

Commercial Car Non-Ownership

Non-ownership insurance on commercial cars is not as well known as private passenger cars, Mr. Casey continued, but the growing use of trucks and the increased tendency on the part of lawyers to join every conceivable person as a defendant in a lawsuit are making this need very acute. Mr. Casey reviewed hired cars and independent contractors non-ownership insurance and pointed out the expense of defending a lawsuit and the possibility of a judgment, as well as the danger of depending upon insurance of individuals, as reasons why non-ownership insurance is needed.

Henry Bush, manager in St. Louis for U. S. F. & G., was given an opportunity at the afternoon gathering to tell of the campaign contemplated by the Surety Underwriters of St. Louis to seek the cooperation of banks in placing their insurance in stock insurance companies instead of with Lloyds.

"History of Inland Marine Insurance" was the subject of the next address by Stuart Bankhardt, vice-president Osborn & Lange, Chicago.

The closing address of the afternoon was by W. D. Forsyth, general supervisor automobile department in the office of the Illinois Secretary of State at Springfield. He discussed the "Financial Responsibility and Driver's License Law."

At the banquet the principal speaker was Dr. P. Lamont Thompson, president of Kalamazoo College, Kalamazoo, Mich., whose subject was "The Ethical Rehabilitation of Business." Due to the illness of Thomas W. Butler, secretary Alton District Manufacturers Association, H. J. Burrage of THE NATIONAL UNDERWRITER, served as toastmaster.

Agents Seek to Put New Life in Work with Credit Men

(CONTINUED FROM PAGE 8)

losses now sustained may be materially lessened. Later it is planned to carry the message to chambers of commerce and other business men's organizations.

Mr. Fleming's schedule calls for talks before the mid-year meeting of the Minnesota Agents' Association at Minneapolis, March 8; two days later he will speak at Omaha; Des Moines Credit Association, March 13; to be followed at short intervals by appearances at Cedar Rapids, Toledo and New Haven.

Lloyds Attorneys Reply to Ottawa Bank Suit

(CONTINUED FROM PAGE 23)

mitting the robbery and the loss, raises a great many technical points which can only be settled by a court of law.

The next move is now up to the attor-

neys for the First National Bank of Ottawa, Eckert & Peterson. It is expected that they will take action this week.

Cool Impudence in Pirating of Famous Cancellor

Insurance men who have the "direct reading rate finder and cancellator," of which many thousands are in use, will be interested in a curious situation which has arisen in regard to the device. This is the famous "disc cancellator" consisting of a white and a yellow wheel, with a green reading arm. It was invented and copyrighted by R. W. Bulkeley, a highly trained engineer of Grand Rapids, Mich., who was pained to see his insurance friends working out cancellations by hand. His training as an engineer suggested the disc method of finding the right answer mechanically and the "direct reading" cancellator was the result. He marketed it himself under the name of the Discomputer Company and also through THE NATIONAL UNDERWRITER and many thousands were sold. It has proved immensely popular.

Lair of "Pirate" Found

Last year a "pirated" edition appeared on the market. The impudent infringer simply ordered a cancellator (which he never paid for) and had new plates made and substituted another name and address in place of that of the Discomputer Company. Mr. Bulkeley, who was a man of considerable means, immediately took up the trail and found the printing shop where the infringing copies were produced. The plates were surrendered by the printer, together with the illegitimate stock on hand, but Mr. Bulkeley continued on the track of the infringer. While he was in Chicago, hot on the trail, he took sick and died last December at his home in Grand Rapids.

Recently a new infringement has made its appearance in insurance offices. The impudence has taken a new turn. The new copies bear the imprint, "produced for so and so by the Discomputer Company, Grand Rapids, Mich."

Fugitive Wanted by F. B. I.

It is not known how many men are engaged in operating this game, but one of them is a fugitive wanted by the Federal Bureau of Investigation. Insurance men who are interested in aiding the government catch up with the fugitive should notify the nearest F. B. I. office if solicited to buy a disc cancellator bearing any other imprint than the Discomputer Company of Grand Rapids.

"Phony" cancellators can probably be detected by the fact that they are inaccurate in spots. Producing the cancellators so that they will be accurate all around requires real care and skill. The "pirated" ones are usually one day off at certain points on the calendar.

W. J. Traynor's Address

At a meeting of the St. Paul Association of Insurance Women, W. J. Traynor, publicity director North British group, spoke on "Profitable Agency Advertising and Surveying Your Way to More Business." He was introduced by F. S. Rogers, general agent. Fern Harrington presided.

Mr. Traynor suggested that the women encompass "outside" work in business solicitation. He observed that 80 percent of all buying is done directly or influenced by women; that a large share of the national wealth is held by women; that insurance solicitation of them has been neglected; that insurance women therefore have an opportunity to show their initiative as business-getters.

W. A. Barrett, 44, head of the W. A. Barrett Insurance Agency at Indianapolis, was found dead in his home, apparently a victim of heart disease. He had operated his agency for 20 years. He was general agent of the Continental Casualty and represented other companies.

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